



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION

REQUEST FOR PROPOSALS
FOR
MERCHANT SERVICES

RFP # 31701-05041

September 2, 2014

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1. INTRODUCTION

The State of Tennessee, Department of Finance and Administration, hereinafter referred to as “the State,” has issued this Request for Proposals (RFP) to define minimum contract requirements; solicit responses; detail response requirements; and, outline the State’s process for evaluating responses and selecting a Contractor to provide the needed goods or services.

Through this RFP, the State seeks to procure necessary goods or services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises, an opportunity to do business with the State as contractors, subcontractors or suppliers.

1.1. Statement of Procurement Purpose

With the pressures of a technology-driven society, the State of Tennessee is committed to providing electronic commerce opportunities utilizing the most secure payment channels available. The State’s card acceptance program has been organized and centralized under the purview of the Department of Finance and Administration, Division of Accounts since its inception in 1991. Though oversight rests with the Division of Accounts, coordination with user agencies and other departments is essential in delivering merchant services. The State currently accepts payment for an array of services and activities at many locations.

The State is seeking to contract with a full-service vendor to provide the services necessary to continue credit card acceptance operations as they stand today and expand such services to meet future needs. The current list of accepted credit cards is as follows: Visa, MasterCard, American Express, and Discover; in addition, the State also accepts PIN-less and PIN-based Debit cards, as well as E-Checks. The Contractor selected shall accept and process multiple brands and types of cards as well as provide transaction processing systems at locations statewide, some of which are remote. See Attachment 6.13 for a map of point-of-sale card processing locations.

1.1.1 Background

The Department of Finance and Administration maintains a policy which requires all agencies to utilize the statewide merchant services contract when accepting credit cards. If it is found to be advantageous, an exception to this policy may be granted. Since each agency has unique needs and applications, the Contractor must possess the technical expertise to securely integrate with multiple applications within various industries. It is preferred for the Contractor to have experience or be certified with existing State applications and hardware as described later.

The State has experienced significant growth over the last contract term, increasing from 252 merchant identification numbers (MIDs) to 504 MIDs. Below is a summary of activity by fiscal year. See Attachment 6.7 for additional detail on card activity.

<u>Fiscal Year</u>	<u>Number of Transactions</u>	<u>Dollar Volume</u>
2011	1,226,826	\$93,678,980
2012	1,390,507	\$110,772,251
2013	1,602,874	\$142,027,422
2014	1,843,627	\$162,631,683

1.1.2 Existing Operations

(a) Stand-alone Point of Sale (POS) Terminal

The Department of Environment and Conservation maintains approximately 43 MIDs with stand-alone POS terminals which utilize an IP enabled connection to the State network. The terminal models used are the VeriFone Omni 3750, VeriFone Mx570, and VeriFone Mx610

Wi-Fi. Attachment 6.8 presents additional detail on the flow of information for stand-alone POS transactions.

(b) Virtual Terminal

The Secretary of State's office operates 2 MIDs that use a virtual terminal application that utilizes the current Contractor's POS software. The Contractor selected must provide the necessary infrastructure to continue card processing operations for the State of Tennessee's existing virtual terminal applications. Attachment 6.9 presents additional detail on the flow of information for virtual terminal transactions.

(c) iNovah Cashiering

The State operates 236 MIDs across 9 agencies which utilize iNovah, the State of Tennessee's current POS cashiering application provided by System Innovators, Inc. The iNovah application was procured and implemented as part of the State's Enterprise Resource Planning System (Edison).

The Contractor selected must either currently or previously operate a functioning interface with System Innovator's iNovah product or agree to develop a certified interface within ninety (90) days following the contract start date at no charge to the State. All current locations connect via an application programming interface (API). The Contractor must also satisfy the following requirements:

1. Return a unique identifier or tokenized card number with each card authorization.
2. Void credit transactions using the unique identifier or tokenized card number returned with authorization.
3. Accommodate true PIN based debit.
4. Support the Ingenico 6550, Verifone MX870, Verifone MX915 POS terminals and the ID-Tech Model IDMB-336133B magnetic strip reader.

The Contractor selected must support the current iNovah cashiering application as well as any upgrades throughout the term of this contract. Attachment 6.10 presents additional detail on the flow of information for iNovah transactions.

(d) Standard Application Programming Interface (API) Connection

The State utilizes a standard API to connect to the following procured vendors:

1. The State operates 131 MIDs across 13 agencies which utilize the centralized State internet portal provided by NICUSA, Inc. ("NICUSA"). Overseeing the development and deployment of portal applications statewide, NICUSA provides a payment template that is consistent in regards to look, format, encryption, reporting, data management, and administration. This allows citizens to procure services online and present their credit card as payment. NICUSA does not supplant front/back-end processors but rather serves as one link in the processing chain. The Contractor selected must have the ability to provide a unique identifier or tokenized card number allowing NICUSA to store only the last 4 digits of the card number. The Contractor selected must either currently or previously operate a functioning interface with NICUSA products or agree to develop a certified interface within ninety (90) days following the contract start date at no charge to the State. Attachment 6.11 presents additional detail on the flow of information for Portal transactions.

Potential Respondent should be aware that the State's contract with NICUSA expires on March 31, 2016. The State intends to re-procure this contract through a competitive RFP process in 2015. In the event that NICUSA is not the successful vendor in this procurement, or the State decides to pursue alternative means of providing these services, the Contractor selected will need to design and develop new interfaces with the subsequent portal solution at no additional fee to the State.

2. The Department of Environment and Conservation (TDEC) operates approximately 31 MIDs at six resort park locations, all utilizing the Megasys Hospitality Management Systems' (HMS) software package. Transactions processed at these locations include but are not limited to inn room charges, cabin and shelter rentals, marina sales, restaurant, snack bar, gift shop, and golf course sales. HMS is responsible for providing all POS devices and workstations used in cashiering at these locations. The Contractor selected must either currently or previously operate a functioning interface with HMS products or agree to develop a certified interface within ninety (90) days following the contract start date at no charge to the State. Attachment 6.12 presents additional detail on the flow of information for TDEC transactions.
3. The Department of Environment and Conservation (TDEC) operates approximately 52 MIDs which utilize Itinio Reservation System. Transactions processed at these locations include but are not limited to inn room charges, cabin and shelter rentals, marina sales, restaurant, snack bar, gift shop, and golf course sales. Itinio is responsible for providing all POS devices and workstations used in cashiering at these locations. The Contractor selected must either currently or previously operate a functioning interface with Itinio products or agree to develop a certified interface within ninety (90) days following the contract start date at no charge to the State. Attachment 6.12 presents additional detail on the flow of information for TDEC transactions.
4. The Department of Environment and Conservation (TDEC) operates approximately 9 MIDs which utilize Fore! Reservation system. Transactions processed at these locations include but are not limited to inn room charges, cabin and shelter rentals, marina sales, restaurant, snack bar, gift shop, and golf course sales. Fore! Reservation is responsible for providing all POS devices and workstations used in cashiering at these locations. The Contractor selected must either currently or previously operate a functioning interface with Fore! Reservation system or agree to develop a certified interface within ninety (90) days following the contract start date at no charge to the State. Attachment 6.12 presents additional detail on the flow of information for TDEC transactions.

1.1.3 New Operations

(a) Tokenized Application Programming Interface (API) Connection:

The State has the following ongoing projects that are projected to utilize the tokenized API:

1. The Department of Safety is transitioning its legacy driver's license system to A-List, a product offered by Fast Enterprises. In addition to database storage, A-List offers a cashiering module that will be utilized for collecting payments. According to the development plan, a tokenized API connection will be used to connect this system with the credit card processor. The Contractor selected must have the ability to supply a tokenized card number, preventing the need for A-List to handle or store more than the last four digits of any primary account number, so that the cashiering process will be PCI Compliant.
2. In connection with the A-List project, the Department of Safety is developing an iPad application to be utilized at kiosks at various Department of Safety locations. This application will connect to the A-List database and will utilize a tokenized API. The Contractor selected must have the ability to supply a tokenized card number, preventing

the need for A-List to handle or store more than the last four digits of any primary account number, so that the cashiering process will be PCI Compliant.

3. The Department of Commerce and Insurance is currently migrating its legacy professional licensing system to Iron Data. According to the development plan, a tokenized API connection will be utilized. The Contractor selected must have the ability to supply a tokenized card number, preventing the need for Iron Data to handle or store more than the last four digits of any primary account number, so that the cashiering process will be PCI Compliant.

(b) Prepaid Card System:

The Department of Environment and Conservation would like to implement a closed-loop prepaid card system to be used at its various park locations. The cards issued need to be reloadable and accepted through any of their POS platforms, Megasys HMS, Itinio, and FORE! Reservations, and by all POS terminals operated at the locations. Sufficient reporting should be provided on all prepaid card sales and redemptions to allow for real-time accountability of all outstanding accounts. The initial implementation of the program will be with TDEC, but the State may offer similar programs to other State agencies within the contract term.

1.1.4 State of Tennessee Enterprise Information Security Policies

Information security is required to enable and ensure the availability, integrity and confidentiality of data, network and processing resources required for the State of Tennessee to perform its business and operational practices. The State has developed information security policies to establish and uphold the minimum requirements that are necessary to protect information resources against unavailability, unauthorized or unintentional access, modification, destruction or disclosure. These policies cover any information asset owned, leased, or controlled by the State of Tennessee and the methodologies and practices of external entities that require access to the State of Tennessee's information resources. The "State of Tennessee Enterprise Information Security Policies" are posted on: <http://www.tn.gov/finance/oir/security/docs/PUBLIC-Enterprise-Information-Security-Policies-v1-6.pdf>.

1.1.5 Extension of Services to Political Subdivisions

The contract resulting from this procurement permits the extension of the services and service rates to political subdivisions of the State of Tennessee as well as the institutions of the University of Tennessee and the Tennessee Board of Regents. These extensions must be implemented through separate agreements between the Contractor and the political subdivision or the institutions of the University of Tennessee or the Tennessee Board of Regents. Neither the State of Tennessee or the Department of Finance and Administration will be a party to such agreements or have any liability under such agreements.

1.2. Scope of Service, Contract Period, & Required Terms and Conditions

The RFP Attachment 6.6., *Pro Forma* Contract details the State's requirements:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Respondent must sign.

1.3. **Nondiscrimination**

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal, Tennessee State constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. **RFP Communications**

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

RFP # 31701-05041

1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

1.4.2.1. Prospective Respondents must direct communications concerning this RFP to the following person designated as the Solicitation Coordinator:

Travis Johnson
Capital Complex Service Center (CCSC)
901 5th Avenue North
Nashville, TN 37243
Tele: 615.741.5727
travis.johnson@tn.gov

1.4.2.2. Notwithstanding the foregoing, prospective Respondents may alternatively contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses as well as general, public information relating to this RFP (visit www.tn.gov/businessopp/ for contact information); and
- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

David Sledge
Title VI Coordinator
Tennessee Department of Finance and Administration
Human Resource Office
21st Floor, Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243
Phone: 615-532-4595
Fax: 615-741-3470
E-mail: David.Sledge@TN.gov

1.4.3. Only the State's official, written responses and communications with Respondents are binding with regard to this RFP. Oral communications between a State official and one or more Respondents are unofficial and non-binding.

- 1.4.4. Potential Respondents must ensure that the State receives all written questions and comments, including questions and requests for clarification, no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.4.5. Respondents must assume the risk of the method of dispatching any communication or response to the State. The State assumes no responsibility for delays or delivery failures resulting from the Respondent's method of dispatch. Actual or digital "postmarking" of a communication or response to the State by a specified deadline is not a substitute for the State's actual receipt of a communication or response.
- 1.4.6. The State will convey all official responses and communications related to this RFP to the prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to RFP Section 1.8).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State. For internet posting, please refer to the following website: http://tn.gov/generalserv/cpo/sourcing_sub/rfp.shtml.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriateness and adequacy of responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however, it is the Respondent's obligation to independently verify any data or information provided by the State. The State expressly disclaims the accuracy or adequacy of any information or data that it provides to prospective Respondents.

1.5. **Assistance to Respondents With a Handicap or Disability**

Prospective Respondents with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Prospective Respondents may contact the Solicitation Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. **Respondent Required Review & Waiver of Objections**

- 1.6.1. Each prospective Respondent must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6, *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").
- 1.6.2. Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.6.3. Protests based on any objection to the RFP shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions & Comments Deadline.

1.7. **Pre-Response Conference**

A Pre-Response Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-Response Conference attendance is not mandatory, and prospective Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

State of Tennessee
 Department of General Services
 Multi-Media Room
 TN Tower – 3rd Floor
 312 Rosa L. Parks Ave.
 Nashville, TN 37243

The purpose of the conference is to discuss the RFP scope of goods or services. The State will entertain questions, however prospective Respondents must understand that the State's oral response to any question at the Pre-Response Conference shall be unofficial and non-binding. Prospective Respondents must submit all questions, comments, or other concerns regarding the RFP in writing prior to the Written Questions & Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to these questions and comments to prospective Respondents from whom the State has received a Notice of Intent to respond as indicated in RFP Section 1.4.6 and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. **Notice of Intent to Respond**

Before the Notice of Intent to Respond Deadline detailed in the RFP Section 2, Schedule of Events, prospective Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)
- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

A Notice of Intent to Respond creates no obligation and is not a prerequisite for submitting a response, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.

1.9. **Response Deadline**

A Respondent must ensure that the State receives a response no later than the response Deadline time and date detailed in the RFP Section 2, Schedule of Events. A response must respond, as required, to this RFP (including its attachments) as may be amended. The State will not accept late responses, and a Respondent's failure to submit a response before the deadline will result in disqualification of the response. It is the responsibility of the Respondent to ascertain any additional security requirements with respect to packaging and delivery to the State of Tennessee. Respondents should be mindful of any potential delays due to security screening procedures, weather, or other filing delays whether foreseeable or unforeseeable.

2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. RFP Issued		9/2/2014
2. Disability Accommodation Request Deadline	2:00 p.m.	9/5/2014
3. Pre-response Conference	2:00 p.m.	9/10/2014
4. Notice of Intent to Respond Deadline	2:00 p.m.	9/12/2014
5. Written "Questions & Comments" Deadline	2:00 p.m.	9/17/2014
6. State Response to Written "Questions & Comments"		10/3/2014
7. Response Deadline	2:00 p.m.	10/15/2014
8. State Completion of Technical Response Evaluations		10/31/2014
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	11/3/2014
10. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	11/6/2014
11. State sends contract to Contractor for signature		11/19/2014
12. Contractor Signature Deadline	2:00 p.m.	11/25/2014

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to section 1.8).

3. RESPONSE REQUIREMENTS

3.1. Response Form

A response to this RFP must consist of two parts, a Technical Response and a Cost Proposal.

- 3.1.1. **Technical Response.** RFP Attachment 6.2, Technical Response & Evaluation Guide provides the specific requirements for submitting a response. This guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

NOTICE: A technical response must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical response, the State may deem the response to be non-responsive and reject it.

- 3.1.1.1. A Respondent must use the RFP Attachment 6.2, Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.
- 3.1.1.2. A response should be economically prepared, with emphasis on completeness and clarity. A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversize exhibits are permissible) and use a 12 point font for text. All response pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Response should respond to or address a specific requirement detailed in the RFP Attachment 6.2, Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a response to be non-responsive and reject it if:
- a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2, Technical Response & Evaluation Guide; or
 - b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2, Technical Response & Evaluation Guide.
- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3, Cost Proposal & Scoring Guide.

NOTICE: If a Respondent fails to submit a cost proposal exactly as required, the State may deem the response to be non-responsive and reject it.

- 3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3, Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.
- 3.1.2.3. A Respondent must sign and date the Cost Proposal.
- 3.1.2.4. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response (as detailed in RFP Sections 3.2.3., *et seq.*).

3.2. Response Delivery

3.2.1. A Respondent must ensure that both the original Technical Response and Cost Proposal documents meet all form and content requirements, including all required signatures, as detailed within this RFP.

3.2.2. A Respondent must submit original Technical Response and Cost Proposal documents and copies as specified below.

3.2.2.1. One (1) original Technical Response paper document labeled:

“RFP # 31701-05041 TECHNICAL RESPONSE ORIGINAL”

and seven (7) digital copies of the Technical Response each in the form of one (1) digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

“RFP # 31701-05041 TECHNICAL RESPONSE COPY”

The digital copies should not include copies of sealed customer references, however, any other discrepancy between the paper Technical Response document and any digital copies may result in the State rejecting the proposal as non-responsive.

3.2.2.2. One (1) original Cost Proposal paper document labeled:

“RFP # 31701-05041 COST PROPOSAL ORIGINAL”

and one (1) copy in the form of a digital document in “XLS” format properly recorded on separate, blank, standard CD-R recordable disc or USB flash drive labeled:

“RFP # 31701-05041 COST PROPOSAL COPY”

The Respondent will find the XLS spreadsheet for use in preparing the above response on the following website: <http://www.tn.gov/finance/oir/pcm/rfps.html>. The Respondent shall complete this spreadsheet and print off a paper copy to comply with the “Cost Proposal Original” copy requirement stated above. The Respondent shall sign the Cost Proposal Original document in accordance with the instructions contained therein. The Respondent shall ensure that the contents of Cost Proposal Original copy match the digital copy.

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

3.2.3.1. The Technical Response original document and digital copies must be placed in a sealed package that is clearly labeled:

“DO NOT OPEN... RFP # 31701-05041 TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.3.2. The Cost Proposal original document and digital copy must be placed in a separate, sealed package that is clearly labeled:

“DO NOT OPEN... RFP # 31701-05041 COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

“RFP # 31701-05041 SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]”

- 3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address:

Travis Johnson
Capital Complex Service Center (CCSC)
901 5th Avenue North
Nashville, TN 37243
615.741.5727

3.3. Response & Respondent Prohibitions

- 3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.2. A response must not restrict the rights of the State or otherwise qualify either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal. If a response restricts the rights of the State or otherwise qualifies either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.
- 3.3.3. A response must not propose alternative goods or services (*i.e.*, offer services different from those requested and required by this RFP) unless expressly requested in this RFP. The State may consider a response of alternative goods or services to be non-responsive and reject it.
- 3.3.4. A Cost Proposal must be prepared and arrived at independently and must not involve any collusion between Respondents. The State will reject any Cost Proposal that involves collusion, consultation, communication, or agreement between Respondents. Regardless of the time of detection, the State will consider any such actions to be grounds for response rejection or contract termination.
- 3.3.5. A Respondent must not provide, for consideration in this RFP process or subsequent contract negotiations, any information that the Respondent knew or should have known was materially incorrect. If the State determines that a Respondent has provided such incorrect information, the State will deem the Response non-responsive and reject it.
- 3.3.6. A Respondent must not submit more than one Technical Response and one Cost Proposal in response to this RFP, except as expressly requested by the State in this RFP. If a Respondent submits more than one Technical Response or more than one Cost Proposal, the State will deem all of the responses non-responsive and reject them.

- 3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part of their responses (provided that the subcontractor does not also submit a response as a prime contractor).
- 3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:
- 3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;
- 3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and
- 3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.

3.4. **Response Errors & Revisions**

A Respondent is responsible for any and all response errors or omissions. A Respondent will not be allowed to alter or revise response documents after the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

3.5. **Response Withdrawal**

A Respondent may withdraw a submitted response at any time before the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Respondent representative. After withdrawing a response, a Respondent may submit another response at any time before the Response Deadline. After the Response Deadline, a Respondent may only withdraw all or a portion of a response where the enforcement of the response would impose an unconscionable hardship on the Respondent.

3.6. **Additional Services**

If a response offers goods or services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Respondent must not propose any additional cost amounts or rates for additional goods or services. Regardless of any additional services offered in a response, the Respondent's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

NOTICE: If a Respondent fails to submit a Cost Proposal exactly as required, the State may deem the response non-responsive and reject it.

3.7. **Response Preparation Costs**

The State will not pay any costs associated with the preparation, submittal, or presentation of any response.

4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

The State at its sole discretion may amend this RFP, in writing, at any time prior to contract award. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential Respondents to meet the response deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential Respondents who submitted a Notice of Intent to Respond (refer to RFP Section 1.8). A response must address the final RFP (including its attachments) as amended.

4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel the RFP or to cancel and reissue this RFP in accordance with applicable laws and regulations.

4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all responses.

4.3.2. The State may deem as non-responsive and reject any response that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, minor variances from full compliance with this RFP. If the State waives variances in a response, such waiver shall not modify the RFP requirements or excuse the Respondent from full compliance, and the State may hold any resulting Contractor to strict compliance with this RFP.

4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2, Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. After contract award, a Contractor may only substitute an approved subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Respondent who is awarded a contract pursuant to this RFP will be the prime contractor and will be responsible for all work under the Contract.

4.5. Right to Refuse Personnel or Subcontractors

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing goods or services in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

4.6. Insurance

From time-to-time, the State may require the awarded Contractor to provide a Certificate of Insurance issued by an insurance company licensed or authorized to provide insurance in the State of Tennessee. Each Certificate of Insurance shall indicate current insurance coverage meeting minimum requirements as may be specified by this RFP. A failure to provide a current, Certificate of Insurance will be considered a material breach and grounds for contract termination.

4.7. Professional Licensure and Department of Revenue Registration

4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as a part of a response to this RFP, shall be properly licensed to render such opinions.

4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any Respondent to submit evidence of proper licensure.

4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. For purposes of this registration requirement, the Department of Revenue may be contacted at: TN.Revenue@tn.gov.

4.8. Disclosure of Response Contents

4.8.1. All materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a response does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.

4.8.2. The State will hold all response information, including both technical and cost information, in confidence during the evaluation process. Notwithstanding the foregoing, a list of actual Respondents submitting timely responses may be available to the public, upon request, after technical responses are opened.

4.8.3. Upon completion of response evaluations, indicated by public release of a Notice of Intent to Award, the responses and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

4.9. Contract Approval and Contract Payments

4.9.1. After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.

4.9.2. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Respondent with the apparent best-evaluated response or any other Respondent. State obligations pursuant to a contract award shall commence only after the contract is signed by the State agency head and the Contractor and after the Contract is approved by all other State officials as required by applicable laws and regulations.

4.9.3. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.

4.9.3.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any goods delivered or services rendered by the Contractor, even goods delivered or services rendered in good faith and even if the Contractor is orally directed to proceed with the delivery of goods or the rendering of services, if it occurs before the Contract start date or after the Contract end date.

4.9.3.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6, *Pro Forma Contract*, Section C).

4.9.3.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of goods or services as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amounts that it determines do not represent reasonable, necessary, and actual costs.

4.10. **Contractor Performance**

The Contractor who is awarded a contract will be responsible for the delivery of all acceptable goods or the satisfactory completion of all services set out in this RFP (including attachments) as may be amended. All goods or services are subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that goods delivered or services rendered are in compliance with the Contract, and the Contractor must cooperate with such efforts.

4.11. **Contract Amendment**

After contract award, the State may request the Contractor to deliver additional goods or perform additional services within the general scope of the contract and this RFP, but beyond the specified scope of service, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional goods or services. The Contractor must respond to the State with a time schedule for delivering the additional goods or accomplishing the additional services based on the compensable units included in the Contractor's response to this RFP. If the State and the Contractor reach an agreement regarding the goods or services and associated compensation, such agreement must be effected by means of a contract amendment. Further, any such amendment requiring additional goods or services must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes, rules, policies and procedures of the State of Tennessee. The Contractor must not provide additional goods or render additional services until the State has issued a written contract amendment with all required approvals.

Notwithstanding the foregoing, contract section E.18 provides for the addition of "Non-Prepriced Items" without a formal Contract Amendment upon the documented mutual agreement by the Contract Parties.

4.12. **Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Respondents will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

4.13. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked Respondent should the State cease doing business with any Respondent selected via this RFP process.

5. EVALUATION & CONTRACT AWARD

5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of responses and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each response deemed by the State to be responsive.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2, Section B)	20
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2, Section C)	40
Cost Proposal (refer to RFP Attachment 6.3)	40

5.2. Evaluation Process

The evaluation process is designed to award the contract resulting from this RFP not necessarily to the Respondent offering the lowest cost, but rather to the Respondent deemed by the State to be responsive and responsible who offers the best combination of attributes based upon the evaluation criteria. ("Responsive Respondent" is defined as a Respondent that has submitted a response that conforms in all material respects to the RFP. "Responsible Respondent" is defined as a Respondent that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Response Evaluation.** The Solicitation Coordinator and the Proposal Evaluation Team (consisting of three (3) or more State employees) will use the RFP Attachment 6.2, Technical Response & Evaluation Guide to manage the Technical Response Evaluation and maintain evaluation records.

5.2.1.1. The State reserves the right, at its sole discretion, to request Respondent clarification of a Technical Response or to conduct clarification discussions with any or all Respondents. Any such clarification or discussion will be limited to specific sections of the response identified by the State. The subject Respondent must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.

5.2.1.2. The Solicitation Coordinator will review each Technical Response to determine compliance with RFP Attachment 6.2, Technical Response & Evaluation Guide, Section A—Mandatory Requirements. If the Solicitation Coordinator determines that a response failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the response and document the team's determination of whether:

- a. the response adequately meets RFP requirements for further evaluation;
- b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
- c. the State will determine the response to be non-responsive to the RFP and reject it.

5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP,

and will score each in accordance with the RFP Attachment 6.2, Technical Response & Evaluation Guide.

- 5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2, Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.
- 5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not to meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3, Cost Proposal & Scoring Guide.
- 5.2.3. **Clarifications and Negotiations:** The State reserves the right to award a contract on the basis of initial responses received, therefore, each response shall contain the Respondent's best terms and conditions from a technical and cost standpoint. The State reserves the right to conduct clarifications or negotiations with one or more Respondents. All communications, clarifications, and negotiations shall be conducted in a manner that supports fairness in response improvement.
- 5.2.3.1. **Clarifications:** The State may identify areas of a response that may require further clarification or areas in which it is apparent that there may have been miscommunications or misunderstandings as to the State's specifications or requirements. The State may seek to clarify those issues identified during one or multiple clarification rounds. Each clarification sought by the State may be unique to an individual Respondent, provided that the process is conducted in a manner that supports fairness in response improvement.
- 5.2.3.2. **Negotiations:** The State may elect to negotiate with one or more Respondents by requesting revised responses, negotiating costs, or finalizing contract terms and conditions. The State reserves the right to conduct multiple negotiation rounds or no negotiations at all.
- 5.2.3.3. **Cost Negotiations:** All Respondents, selected for negotiation by the State, will be given equivalent information with respect to cost negotiations. All cost negotiations will be documented for the procurement file. Additionally, the State may conduct target pricing and other goods or services level negotiations. Target pricing may be based on considerations such as current pricing, market considerations, benchmarks, budget availability, or other methods that do not reveal individual Respondent pricing. During target price negotiations, Respondents are not obligated to reduce their pricing to target prices, but no Respondent is allowed to increase prices.
- 5.2.3.4. If the State determines that it is unable to successfully negotiate a contract with the apparent best evaluated Respondent, the State reserves the right to bypass the apparent best evaluated Respondent and enter into contract negotiations with the next apparent best evaluated Respondent.

- 5.2.4. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5, Score Summary Matrix).

5.3. Contract Award Process

- 5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. The procuring agency head will determine the apparent best-evaluated response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.
- 5.3.3. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the apparent best-evaluated Respondent or any other Respondent.

- 5.3.4. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the same as the RFP [Attachment 6.6, Pro Forma Contract](#). The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.
- 5.3.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response evaluations or negatively impact the competitive nature of the RFP and contractor selection process.
- 5.3.6. If the State determines that a response is non-responsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.

RFP # 31701-05041 STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Respondent must sign and complete the Statement of Certifications and Assurances below as required, and it must be included in the Technical Response (as required by RFP Attachment 6.2, Technical Response & Evaluation Guide, Section A, Item A.1.).

The Respondent does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of Services of the RFP Attachment 6.6, *Pro Forma* Contract for the total contract period.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6, *Pro Forma* Contract.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Respondent will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.

By signing this Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Respondent (if an individual) or the Respondent’s company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual’s authority to bind the Respondent.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE RESPONDENT

SIGNATURE:

PRINTED NAME & TITLE:

DATE:

**RESPONDENT LEGAL ENTITY
NAME:**

**RESPONDENT FEDERAL EMPLOYER IDENTIFICATION NUMBER (or
SSN):**

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION A: MANDATORY REQUIREMENTS. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review the response to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the response and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFP requirements.

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Response must be delivered to the State no later than the Response Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Response and the Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et. seq.</i>).	
		The Technical Response must NOT contain cost or pricing information of any type.	
		The Technical Response must NOT contain any restrictions of the rights of the State or other qualification of the response.	
		A Respondent must NOT submit alternate responses (refer to RFP Section 3.3.).	
		A Respondent must NOT submit multiple responses in different forms (as a prime and a sub-contractor) (refer to RFP Section 3.3.).	
	A.1.	Provide the Statement of Certifications & Assurances (RFP Attachment 6.1) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall cause to deliver goods or perform services under the contract has a possible conflict of interest (<i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3	Provide a current bank reference indicating that the Respondent's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	
	A.4	Provide two current positive credit references from vendors with which the Respondent has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	
	A.5	Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a satisfactory credit rating for the Respondent (NOTE: A credit bureau report	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		number without the full report is insufficient and will not be considered responsive.)	
	A.6	<p>Provide written confirmation that the Respondent is currently a Payment Card Industry (PCI) Data Security Standard (DSS) Compliant Service Provider.</p> <p>Attach evidence of the following:</p> <ul style="list-style-type: none"> a. a current Certificate of Validation by a Qualified Security Assessor b. your company's current inclusion on Visa's List of Compliant Service Providers; AND c. your company's current inclusion on the MasterCard Site Data Protection Program's list of Compliant Service Providers <p><i>Please note the RFP Coordinator, with the assistance of one or more subject matter experts, will verify your company's inclusion on both the Visa and MasterCard lists of Validated or Compliant Services Providers (http://usa.visa.com/merchants/risk_management/cisp_service_providers.htm) and (http://www.mastercard.com/us/sdp/serviceproviders/compliant_serviceprovider.html#).</i></p>	
	A.7	<p>Provide written confirmation of AT LEAST ONE of the following:</p> <p><u>EITHER:</u></p> <ul style="list-style-type: none"> a. The Respondent expressly certifies that, along with its sub-contractor(s), it currently operates an online gateway or a processor that has certified System Innovators Inc.'s iNovah Cashiering application and currently operates a functioning interface with System Innovators' iNovah. <ul style="list-style-type: none"> i. Attach a copy of the certificate or letter issued to System Innovators documenting its completion of your certification and/or installation process. ii. Provide the name of one of your clients using your interface with System Innovators' iNovah. <p>Please note that the RFP Coordinator, with the assistance of one or more subject matter experts, will verify certification and client reference with System Innovators.</p> <p><u>OR:</u></p> <ul style="list-style-type: none"> b. No later than ninety (90) days from the Contract Start Date, the Respondent shall operate an online gateway or a processor that has certified System Innovators Inc.'s iNovah Cashiering application. The proof of such certification shall be as described in Item A.7.a.i, above. 	
	A.8	<p>Provide written confirmation of AT LEAST ONE of the following:</p> <p><u>EITHER:</u></p> <ul style="list-style-type: none"> a. The Respondent expressly certifies that, along with its sub-contractor(s), it currently operates an online gateway or a processor that has certified Megasys' Hospitality Management System (HMS) and currently operates a functioning interface with HMS. 	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		<p>i. Attach a copy of the certificate or letter issued to Megasys documenting its completion of your certification and/or installation process.</p> <p>ii. Provide the name of one of your clients using your interface with Megasys' Hospitality Management System.</p> <p>Please note that the RFP Coordinator, with the assistance of one or more subject matter experts, will verify certification and client reference with Megasys.</p> <p>OR:</p> <p>b. No later than ninety (90) days from the Contract Start Date, the Respondent shall operate an online gateway or a processor that has certified Megasys' Hospitality Management System.</p> <p>The proof of such certification shall be as described in Item A.8.a.i, above.</p>	
	A.9	<p>Provide written confirmation of <u>AT LEAST ONE</u> of the following:</p> <p><u>EITHER:</u></p> <p>a. The Respondent expressly certifies that, along with its sub-contractor(s), it currently operates an online gateway or a processor that has certified Itinio Reservation System and currently operates a functioning interface with Itinio Reservation System.</p> <p>i. Attach a copy of the certificate or letter issued to Itinio documenting its completion of your certification and/or installation process.</p> <p>ii. Provide the name of one of your clients using your interface with Itinio's Reservation System.</p> <p>Please note that the RFP Coordinator, with the assistance of one or more subject matter experts, will verify certification and client reference with Itinio.</p> <p>OR:</p> <p>b. No later than ninety (90) days from the Contract Start Date, the Respondent shall operate an online gateway or a processor that has certified Itinio's Reservation System.</p> <p>The proof of such certification shall be as described in Item A.9.a.i, above.</p>	
	A.10	<p>Provide written confirmation of <u>AT LEAST ONE</u> of the following:</p> <p><u>EITHER:</u></p> <p>a. The Respondent expressly certifies that, along with its sub-contractor(s), it currently operates an online gateway or a processor that has certified FORE! Reservations, Inc. reservations system and currently operates a functioning interface with FORE! Reservations, Inc..</p> <p>i. Attach a copy of the certificate or letter issued to FORE! Reservations, Inc. documenting its completion of your certification and/or installation process.</p> <p>ii. Provide the name of one of your clients using your interface with</p>	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		<p>FORE! Reservations System.</p> <p>Please note the RFP Coordinator, with the assistance of one or more subject matter experts, will verify certification and client reference with FORE! Reservations.</p> <p>OR:</p> <p>b. No later than ninety (90) days from the Contract Start Date, the Respondent shall operate an online gateway or a processor that has certified FORE! Reservations System.</p> <p>The proof of such certification shall be as described in Item A.10.a.i, above.</p>	
	A.11	<p>Provide written confirmation of AT LEAST ONE of the following:</p> <p>EITHER:</p> <p>a. The Respondent expressly certifies that, along with its sub-contractor(s), it currently operates an online gateway or a processor that has certified NICUSA, Inc. (NICUSA) and currently operates a functioning interface with NICUSA's online portal.</p> <p>i. Attach a copy of the certificate or letter issued to NICUSA documenting its completion of your certification and/or installation process.</p> <p>ii. Provide the name of one of your clients using your interface with NICUSA's online portal.</p> <p>Please note the RFP Coordinator, with the assistance of one or more subject matter experts, will verify certification and client reference with NICUSA.</p> <p>OR:</p> <p>b. No later than ninety (90) days from the Contract Start Date, the Respondent shall operate an online gateway or a processor that has certified NICUSA's online portal.</p> <p>The proof of such certification shall be as described in Item A.11.a.i, above.</p>	
	A.12	<p>Provide written confirmation that the Respondent can accommodate and support true pin based debit and support the Ingenico 6550, VeriFone Mx 870, VeriFone Mx915, VeriFone Omni 3750, VeriFone Mx 570, and VeriFone Mx 610 Wi-Fi___33 and the ID-Tech Model – IDMB-336133B magnetic card reader.</p> <p>The Respondent shall also provide written confirmation of its ability to reprogram or re-inject existing devices to allow for continued use in card processing.</p>	
	A.13	<p>Provide written confirmation that the Respondent has a PCI certified tokenized application interface.</p> <p>The Respondent shall also submit the PCI certification letter for the Respondent's tokenized application interface product.</p>	
	A.14	<p>Provide written confirmation that the Respondent can return a unique identifier or tokenized card number with each authorization/rejection for all data capture methods so the card number is not required to be stored on</p>	

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		<p>State of Tennessee applications.</p> <p>The Respondent shall also provide written confirmation that the Respondent is able to void credit transactions using the unique identifier or tokenized card number returned by the Respondent with the original card authorization.</p>	
	A.15	<p>Provide written confirmation that the Respondent shall provide a copy of its Merchant Agreement if the Respondent receives an apparent award through this solicitation.</p> <p>Pro Forma Contract Scope of Services, Section A.3 states:</p> <p>“Merchant Agreement. The State and Contractor shall agree to a separate Merchant Agreement that further delineates roles and responsibilities in credit card, debit card, and check acceptance, presentation, authorization, and the management of refunds, credits, returns, and chargebacks. This Merchant Agreement is Attachment B to this Contract.”</p> <p>The Respondent shall also provide written confirmation that the Respondent understands and agrees that, if the Respondent receives an apparent award through this solicitation, the State shall review the Merchant Agreement provided to ensure that there is no conflict with this procurement, the <i>Pro Forma</i> Contract, and the laws of the State of Tennessee. Conflicts that cannot be resolved through clarification between the State and Respondent shall result in disqualification of the proposal submitted in response to this RFP; and the State shall have the right to devolve to the next best evaluated Respondent.</p> <p>Provide only the written confirmations requested above. Do <u>NOT</u> provide the actual Merchant Agreement in response to this mandatory requirement item, or anywhere else in the Proposer’s solicitation response.</p>	
	A.16	<p>Provide written confirmation that the Respondent previously or currently services a state or large city/county government entity. Also provide written confirmation that you are experienced with the specialized merchant products operated throughout the State which include lodging and hospitality, restaurant, and retail.</p>	
	A.17	<p>Provide written confirmation that the Respondent can and shall, under normal operating conditions, cause the settlement of electronic payment transactions to be credited as available funds for the State of Tennessee in the account designated pursuant to the <i>Pro Forma</i> Contract Scope of Services, Section A.12.1, The Account.</p>	
	A.18	<p>Provide written confirmation that the Respondent is currently engaged and has been for the past twelve consecutive months as an online gateway or processor for an entity with the minimum processing volume of 1,850,000 transactions per year. (Concurrent operation of multiple entities with a cumulative processing volume totaling 1,850,000 per year shall NOT satisfy this requirement.)</p> <p>Provide the name and a contact for one of your clients with a minimum processing volume of 1,850,000 transactions per year.</p> <p>Please note the RFP Coordinator, with the assistance of one or more subject matter experts, will verify this client reference.</p>	

RFP ATTACHMENT 6.2 (continued)

RESPONDENT LEGAL ENTITY NAME:			
Response Page # (Respondent completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
<i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i>			

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE. The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
	B.1.	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response.
	B.2.	Describe the Respondent's form of business (<i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	B.3.	Detail the number of years the Respondent has been in business.
	B.4.	Briefly describe how long the Respondent has been providing the goods or services required by this RFP.
	B.5.	Describe the Respondent's number of employees, client base, and location of offices.
	B.6.	Provide a statement of whether there have been any mergers, acquisitions, or change of control of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details.
	B.7.	Provide a statement of whether the Respondent or, to the Respondent's knowledge, any of the Respondent's employees, agents, independent contractors, or subcontractors, involved in the delivery of goods or performance of services on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	B.8.	Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	B.9.	Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Respondent's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent's performance in a contract pursuant to this RFP. NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions.
	B.10.	Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Respondent's performance in a contract pursuant to this RFP. NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		Respondent to submit proof of license for each person or entity that renders such opinions.
	B.11.	Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	B.12.	Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP.
	B.13.	Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondent's requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history.
	B.14.	Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondent's requirements of any contract awarded pursuant to this RFP, and if so, detail: <ul style="list-style-type: none"> (a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each; (b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u> (c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFP.
	B.15.	Provide documentation of the Respondent's commitment to diversity as represented by the following: <ul style="list-style-type: none"> (a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable. (b) <u>Business Relationships</u>. Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises. Please include the following information: <ul style="list-style-type: none"> (i) contract description and total value; (ii) contractor name and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled); (iii) contractor contact name and telephone number. (c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information: <ul style="list-style-type: none"> (i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics only and DO NOT INCLUDE DOLLAR AMOUNTS); (ii) anticipated goods or services contract descriptions; (iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veterans) of anticipated subcontractors and supply contractors. <p>NOTE: In order to claim status as a Diversity Business Enterprise under this contract,</p>

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9265 for more information.</p> <p>(d) <u>Workforce</u>. Provide the percentage of the Respondent's total current employees by ethnicity and gender.</p> <p>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce.</p>
	B.16.	<p>Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:</p> <p>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;</p> <p>(b) the procuring State agency name;</p> <p>(c) a brief description of the contract's scope of services;</p> <p>(d) the contract period; and</p> <p>(e) the contract number.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points. ▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.
	B.17.	<p>Provide customer references from individuals (who are <u>not</u> current or former officials or staff of the State of Tennessee) for projects similar to the services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> ▪ two (2) of the larger accounts currently serviced by the Respondent, <u>and</u> ▪ three (3) completed projects. <p>All references must be provided in the form of standard reference questionnaires that have been fully completed by the individual providing the reference as required. The standard reference questionnaire, which <u>must</u> be used and completed as required, is detailed at RFP Attachment 6.4. References that are not completed as required will be considered non-responsive and will not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining the fully completed reference questionnaires, and for including them within the Respondent's sealed Technical Response. In order to obtain and submit the completed reference questionnaires, as required, follow the process detailed below.</p> <p>(a) Customize the standard reference questionnaire at RFP Attachment 6.4. by adding the subject Respondent's name, and make duplicates for completion by references.</p> <p>(b) Send the customized reference questionnaires to each individual chosen to provide a reference along with a new standard #10 envelope.</p> <p>(c) Instruct the person that will provide a reference for the Respondent to:</p> <ol style="list-style-type: none"> (i) complete the reference questionnaire (on the form provided or prepared, completed, and printed using a duplicate of the document); (ii) sign <u>and</u> date the completed, reference questionnaire; (iii) seal the completed, signed, and dated, reference questionnaire within the envelope provided;

RFP ATTACHMENT 6.2. — SECTION B (continued)

RESPONDENT LEGAL ENTITY NAME:		
Response Page # (Respondent completes)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>(iv) sign his or her name in ink across the sealed portion of the envelope; and</p> <p>(v) return the sealed envelope containing the completed reference questionnaire directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).</p> <p>(d) <u>Do NOT open the sealed references upon receipt.</u></p> <p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under <u>no</u> obligation to clarify any reference information.
	B.18.	<p>Provide a statement and any relevant details addressing whether the Respondent is any of the following:</p> <p>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or State department or agency;</p> <p>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or grant under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;</p> <p>(c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, State, or local) with commission of any of the offenses detailed above; and</p> <p>has within a three (3) year period preceding the contract had one or more public transactions (federal, State, or local) terminated for cause or default.</p>
		<p>SCORE (for <u>all</u> Section B—Qualifications & Experience Items above): (maximum possible score = 20)</p>
State Use – Evaluator Identification:		

RFP ATTACHMENT 6.2 — SECTION C

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Respondent must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's Raw Weighted Score for purposes of calculating the section score as indicated.

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1	Provide a narrative that illustrates the Respondent's understanding of the State's requirements and project schedule.		1	
	C.2	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.2. <u>Visa, MasterCard, American Express, Discover, PIN-less and PIN-based Debit Acceptance, Authorization and Settlement.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		4	
	C.3	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.4. <u>Authorization.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed. Provide telecommunications response times for authorization, settlement, and reporting. The reliability of the telecommunications link for reaching the Respondent must be at the level of five nines reliability which represents availability of 99.999%.		4	
	C.4	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.5. <u>Payment Application Development.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		2	
	C.5	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.6. <u>Mobile Payment Processing.</u> The narrative should explain in detail how the contract		2	

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.			
	C.6	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.7. <u>Merchant Identification Numbers (MIDs) and Terminal Identification Numbers (TIDs).</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		6	
	C.7	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.8. <u>New Application Interface.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		10	
	C.8	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.9. <u>Point-to-Point Encryption Solution.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		4	
	C.9	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.10. <u>Tokenization Application Programming Interface.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		6	
	C.10	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.11. <u>Government Program.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		4	
	C.11	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.12. <u>Settlement.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		6	
	C.12	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.13. <u>Disputed Card Items, e-Check Returns, Chargebacks and Retrievals.</u>		4	

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.			
	C.13	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.14. <u>Payment Card Industry Data Security Standard.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		6	
	C.14	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.15. <u>Card Number Security.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		2	
	C.15	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.16. <u>Security.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		2	
	C.16	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.17. <u>Europay, MasterCard, and Visa (EMV).</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		4	
	C.17	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, A.18. <u>Reporting.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed. Provide examples of sample reports from your online reporting solution including but not limited to the reports listed in A.18 <u>Reporting.</u>		8	
	C.18	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.19. <u>Notification of Rate Changes.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing		1	

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		the requested services including what, when and how the services will be performed.			
	C.19	Provide a work plan that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.20. <u>Statewide Rollout.</u> The work plan should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		4	
	C.20	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.21. <u>Existing Application Interfaces.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		10	
	C.21	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.22. <u>Industry Support.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		2	
	C.22	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. – <i>Pro forma</i> Contract Scope of Services, Section A.23. <u>Alternate Site and Systems.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		4	
	C.23	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Scope of Services, Section A.24. <u>Compatible Equipment/Software.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.		4	
	C.24	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Special Terms and Conditions, Section C.25. <u>Annual Business Analysis.</u> The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed. Please provide a sample Business Analysis Report.		1	
	C.25	Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - <i>Pro forma</i> Contract Payment Terms and Conditions, Section A.26. <u>Merchant Category</u>		2	

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		<p><u>Code (MCC) Designation.</u></p> <p>The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.</p>			
	C.26	<p>Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - Pro forma Contract Payment Terms and Conditions, <u>Section A.27. Contract Services and Service Rates.</u></p> <p>The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.</p>		1	
	C.27	<p>Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - Pro forma Contract Payment Terms and Conditions, <u>Section A.28. Project Staff.</u></p> <p>The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.</p>		8	
	C.28	<p>Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - Pro forma Contract Payment Terms and Conditions, <u>Section A.29. Technical Support, Performance Monitoring and Problem Resolution.</u></p> <p>The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.</p>		6	
	C.29	<p>Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - Pro forma Contract Payment Terms and Conditions, <u>Section A.30. Training.</u></p> <p>The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.</p>		4	
	C.30	<p>Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6 – Pro forma Contract Payment Terms and Conditions, <u>Section A.31. Prepaid Card System.</u></p> <p>The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when, and how the services will be performed.</p>		2	
	C.31	<p>Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - Pro forma Contract Payment Terms and Conditions, <u>Section C.5. Invoice Requirements.</u></p> <p>Provide examples of sample invoices including but not limited to those listed in <u>C.5. Invoice Requirements.</u></p>		6	
	C.32	<p>Provide a narrative that illustrates how the Respondent will complete RFP Attachment 6.6. - Pro forma Contract Payment</p>		2	

RESPONDENT LEGAL ENTITY NAME:					
Response Page # (Respondent completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		<p>Terms and Conditions, <u>Section E.13. Performance Standard Guarantee.</u></p> <p>The narrative should explain in detail how the contract requirements will be met including specific plans for providing the requested services including what, when and how the services will be performed.</p>			
<p><i>The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i></p>					<p>Total Raw Weighted Score: <i>(sum of Raw Weighted Scores above)</i></p>
<p>Total Raw Weighted Score</p>					<p>X 40 <i>(maximum possible score)</i></p>
<p>Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i></p>					<p>= SCORE:</p>
<p><i>State Use – Evaluator Identification:</i></p>					
<p><i>State Use – Solicitation Coordinator Signature, Printed Name & Date:</i></p>					

COST PROPOSAL & SCORING GUIDE

The Respondent shall complete and submit its Cost Proposal in accordance with the instructions given in RFP Section 3.2.2.2. The Respondent will use an XLS spreadsheet to prepare the Cost Proposal; this spreadsheet is found at the following website address: <http://www.tn.gov/finance/oir/pcm/rfps.html>.

Further instructions specific to the content of the Cost Proposal are found in the above referenced spreadsheet.

The Spreadsheet will calculate the Total Evaluation Cost Amount. This Amount will be used in the formula below to derive the Proposer's Cost Proposal score.

$\frac{\text{Lowest Evaluation Cost Amount from all Proposals}}{\text{Evaluation Cost Amount Being Evaluated}}$	X 40 <i>(maximum section score)</i>	= SCORE:	
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State Use – RFP Coordinator Signature, Printed Name & Date:

REFERENCE QUESTIONNAIRE

The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.

The Respondent will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Response & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Response.

RFP # 31701-05041 REFERENCE QUESTIONNAIRE

REFERENCE SUBJECT: RESPONDENT NAME (completed by Respondent before reference is requested)

The “reference subject” specified above, intends to submit a response to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such response, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire;
- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the reference subject.

(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?

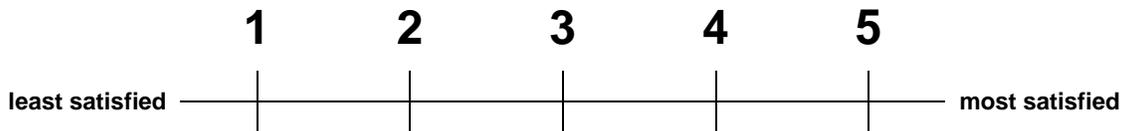
(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

(3) What goods or services does/did the reference subject provide to your company or organization?

(4) What is the level of your overall satisfaction with the reference subject as a vendor of the goods or services described above?

Please respond by circling the appropriate number on the scale below.

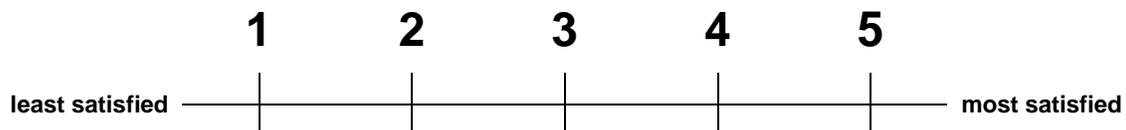


RFP # 31701-05041 REFERENCE QUESTIONNAIRE — PAGE 2

If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the goods or services that the reference subject provided to your company or organization are completed, were the goods or services provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (6) If the reference subject is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?
- (8) In what areas of goods or service delivery does/did the reference subject excel?
- (9) In what areas of goods or service delivery does/did the reference subject fall short?
- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

Please respond by circling the appropriate number on the scale below.

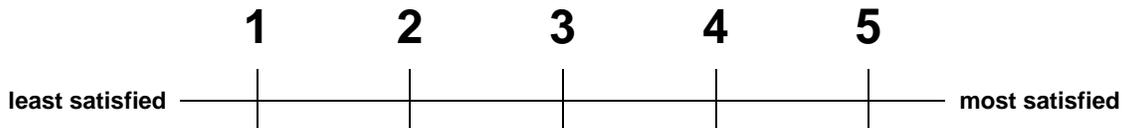


What, if any, comments do you have regarding the score selected above?

RFP # 31701-05041 REFERENCE QUESTIONNAIRE — PAGE 3

(11) Considering the staff assigned by the reference subject to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

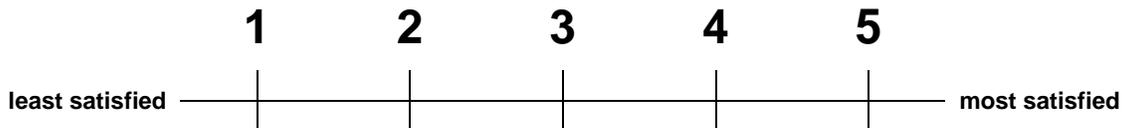
Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

(12) Would you contract again with the reference subject for the same or similar goods or services?

Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

REFERENCE SIGNATURE:

(by the individual completing this request for reference information)

(must be the same as the signature across the envelope seal)

DATE:

SCORE SUMMARY MATRIX

	<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>		<i>RESPONDENT NAME</i>	
GENERAL QUALIFICATIONS & EXPERIENCE (maximum: 20)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH (maximum: 40)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
COST PROPOSAL (maximum: 40)	SCORE:		SCORE:		SCORE:	
TOTAL RESPONSE EVALUATION SCORE: (maximum: 100)						

Solicitation Coordinator Signature, Printed Name & Date:

RFP ATTACHMENT 6.6

RFP # 31701-05041 *PRO FORMA* CONTRACT

The *Pro Forma* Contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF FINANCE AND ADMINISTRATION
AND
CONTRACTOR NAME

This Contract, by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the 'State' and **Contractor Legal Entity Name**, hereinafter referred to as the "Contractor," is for the provision of acquiring a broad range of merchant services, as further defined in the "SCOPE OF SERVICES."

The Contractor is **a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

Contractor Place of Incorporation or Organization: **Location**

Contractor Edison Registration ID # **Number**

A. SCOPE OF SERVICES:

- A.1. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.
- A.2. Visa, MasterCard, American Express, Discover, PIN-less and PIN-based Debit, and E-Check Acceptance, Authorization and Settlement. The State of Tennessee will accept Visa, MasterCard, American Express, and Discover credit, off-line (signature) debit cards, and on-line (PIN-based) debit cards (hereinafter known as "the cards") when presented as payment for goods and services at its offices, facilities, and through its Internet Portal. The Contractor will arrange for payment to the State for amounts arising from the cards where such indebtedness arises from transactions that comply with the terms of the Contract and represent bona fide sales or leases of goods or services.

At the State's option, the State may accept electronic checks. When electronic checks are accepted as payment, the Contractor shall verify the ABA number entered against the national database. The Contractor will arrange for payment to the State for amounts arising from electronic check transactions where such indebtedness arises from transactions that comply with the terms of this Contract and represent bona fide sales or leases of goods or services.

- A.3. Merchant Agreement. The State and Contractor shall agree to a separate Merchant Agreement that further delineates roles and responsibilities in credit card and debit card acceptance, presentation, authorization, and the management of refunds, credits, returns, and chargebacks. This Merchant Agreement is Attachment B to this Contract.
- A.4. Authorization. The Contractor shall provide an on-line authorization service that is capable of capturing and verifying data necessary to electronically process the card transactions. The service must support separate authorization and settlement to accommodate the operating needs of the State. Batch processing of authorizations is unacceptable. The on-line authorization service must operate at the level of five nines reliability which represents availability of 99.999%.

The Contractor shall ensure that each transaction is assigned an unique identification or tokenized card number that will be stored and remain with the transaction through the transaction cycle including authorization, adjustment, settlement, funding and reconciliation.

The Contractor shall support fraud detecting services including but not limited to Address Verification Service and Security Code Verification in authorization requests.

- A.5. Payment Application Development. At a State agency's request, the Contractor shall provide payment application development and services, which result in secure payment pages that integrate with the agency's or its contracted vendor's applications or websites eliminating the need for these applications and websites to collect sensitive payment information. The payment information is collected on the payment application web pages developed by the Contractor.

The Contractor shall notify the State contact in accordance with Section E.2 prior to beginning payment application work with any agency. The Contractor shall provide to the above State contact and to the agency requesting payment application services a detailed project and implementation plan (plan). The plan shall be provided as soon as possible after receiving the request, but in no event more than thirty (30) calendar days thereafter. The plan shall specify the work to be performed, a project timeline, necessary security provisions, and shall provide an itemization of all costs to complete the project as well as any continuing maintenance or hosting costs. The Contractor shall not begin the project until the plan is approved in writing by the agency. The Department of Finance and Administration's Division of Accounts written approval of deliverables is required prior to the deployment of a payment application.

In accordance with the terms of this Contract, the Contractor shall arrange for payment to the State for amounts arising from transactions processed through these payment applications where such indebtedness arises from transactions that comply with the terms of this Contract and represent bona fide sales or leases of goods or services.

- A.6. Mobile Payment Processing. The Contractor shall provide a mobile payment processing solution that is PCI DSS and PA-DSS compliant, utilizes point-to-point encryption, and integrates with the standard transaction processing channels of this contract.
- A.7. Merchant Identification Numbers (MIDs) and Terminal Identification Numbers (TIDs). The Contractor shall establish and maintain merchant identification numbers (MIDs) and terminal identification numbers (TIDs) on behalf of the State. The merchant identification number structure shall be tiered and allow for an unlimited number of MIDs or comparable identifiers as determined necessary by the State, in consultation with the Contractor. MIDs can be established based on the location, transaction type, data capture method and/or reporting needs of each agency.

A customized MID application shall be developed by the Contractor and agreed upon by the State. This application shall be reviewed and revised as published information and practices change.

New MIDs shall be established by request of the Department of Finance and Administration, Division of Accounts and shall be established and activated within fifteen (15) business days of receiving a written MID request with necessary information. The Contractor shall provide the Department of Finance and Administration's Division of Accounts with supporting documentation when the MIDs are established.

- A.8. New Application Interface. At a State agency's request, the Contractor shall develop a new application interface. The Contractor shall notify the State contact pursuant to Section E.2. prior to beginning work with any agency. A detailed project and implementation plan mutually acceptable to the agency requesting services and the Contractor shall be provided to the State prior to beginning work.

For new application interface projects including additional portal applications, the Contractor shall complete system interface certifications within ninety (90) calendar days from the date the State provides notice to the Contractor that the new system is complete and the telecommunication connections are in place. All interfaces must be developed and supported by the Contractor at the Contractor's expense.

- A.9. Point-to-Point Encryption Solution. The Contractor shall provide a PCI certified Point-to-Point Encryption Solution. This shall be a combination of secure devices, applications, and processes that encrypt data from the point of interaction until the data reaches the Contractor's secure decryption environment. The solution must include:
- a. Secure encryption of payment card data at the point of interaction.
 - b. Point-to-Point validated application at the point of interaction.
 - c. Secure management of encryption and decryption devices.

- d. Management of the decryption environment and all decrypted account data.
 - e. Use of secure encryption methodologies and cryptographic key operations, including key generation, distribution, loading/injection, administration, and usage.
- A.10. Tokenization Application Programming Interface. The Contractor shall provide a PCI certified tokenization application programming interface (API) as an option when integrating with various systems utilized by the State. The Contractor will be responsible for supplying the following for this application:
- a. Token generation process or method.
 - b. Token mapping to allow for retrieval of primary account number and security surrounding this system.
 - c. Card Data Vault Storage.
 - d. All other steps surrounding cryptographic key management.
- A.11. Government Program. The Contractor shall provide the infrastructure necessary for the State to participate in the card network sponsored service fee programs as well as any future developments of such programs. Participation in the Government Program shall be at the State's option and determined at the MID level. Under these programs, a "Service Fee" can be charged to cover the cost of processing card transactions. The following Service Fee models shall be supported by the Contractor:
- a. The Contractor shall process the payment transaction and Service Fee as two separate transactions and settle each transaction in the Account (as defined in Section A.12.1.). The Contractor shall be compensated pursuant to Section C.3.a. of this contract.
 - b. The Contractor shall process the payment transaction and Service Fee as two separate transactions, settling the payment transaction to the Account (as defined in Section A.12.1) and settling the Service Fee to an account determined by the Contractor. The Contractor shall be compensated pursuant to Section C.3.b. of this contract.

Service Fees must be reported to the State as defined in Section A.18.

- A.12. Settlement. The Contractor shall process electronic funds transfer and automated clearing house transactions related to the settlement of the State of Tennessee's credit and debit card transactions (hereinafter known as "card items") and e-check items. Upon presentation of such card items and e-check items to the Contractor, accompanied by a form or format provided by the Contractor listing all card items and e-check items presented at such time, and subject to the terms, conditions, warranties, and the State of Tennessee's obligations set out in this agreement and in the Merchant Agreement defined in Section A.3. Merchant Agreement, the Contractor will process the card items and e-check items in the appropriate clearing systems. Upon receipt of settlement of credit by the Contractor for such card items and e-check items, the Contractor will cause the Account (as defined below in Section A.12.1) to be credited with an amount equal to the credit received by the Contractor excluding Service Fees (as defined in Section A.11) in respect of the card items and e-check items processed. The Contractor will credit an amount equal to such Service Fees (as defined in Section A.11) in accordance with Section A.11. The period of time between the presentment of all card items and e-check items to the Contractor and the credit of funds to the Account (as defined below in Section A.12.1.) shall not exceed two (2) business days.
- A.12.1 The Account. The State will maintain a demand account in good standing (the Account) with a financial institution and account number as the State may determine, to be communicated to the Contractor in writing. Such financial institution shall be a State Depository institution pursuant to Tennessee Code Annotated, Section 9-4-107. Unless otherwise directed by the State, all credits or transfers of card items and e-check items herein under shall be made to the financial institution at the account number specified. All other credits or transfers shall be unauthorized transfers. The State shall take all action necessary to ensure that the Contractor has the right to debit or credit the Account under the terms of the Contract.

- A.12.2 Automated Settlement. The Contractor will provide an automated settlement capability, which occurs without human intervention.

The Contractor shall create the electronic funds transfer and automated clearing house settlement transactions at the MID or sales location level or as otherwise requested by the State.

- A.13. Disputed Card Items, e-Check Returns, Chargebacks and Retrievals. The Contractor shall cooperate with the State to resolve any disputed card items or e-check returns that may occur in accordance with applicable law, regulation and the applicable rules, regulations, and operating procedures of Visa, MasterCard, American Express, and Discover. The Contractor shall provide sufficient information regarding the disputed card item as necessary to aid the State in resolving the claims. Documentation provided by the Contractor shall at a minimum include the following:
- a. Original Transaction Date
 - b. Chargeback Amount
 - c. Account Name
 - d. Billing Address
 - e. Merchant Code and ID number
 - f. Last four digits of credit card and expiration date

- A.14. Payment Card Industry Data Security Standard. The Contractor shall be a Payment Card Industry (PCI) Data Security Standard (DSS), and Data Security Standard (PA-DSS) Compliant Service Provider and annually provide the State with a copy of its revalidation PCI DSS (or its successor) Compliance Letter and annual Report on Compliance (ROC). The Contractor shall also provide the State with copies of quarterly network scans performed by an Approved Scan Vendor (ASV). The Contractor shall provide the documentation within thirty (30) calendar days of its receipt from the card associations or vendor. The Contractor shall also be a Payment Application Data Security Standard (PA-DSS) compliant service provider to ensure that all payment applications are PCI Compliant.

- A.15. Card Number Security. *Tennessee Code Annotated*, Section 47-18-126 specifically prohibits State agencies from printing more than five (5) digits of the card number or the expiration date on either the receipt retained by the agency or the receipt provided to the cardholder at the point of sale (printing restrictions do not apply to handwritten receipts or imprints). The Contractor's services provided under this Contract shall comply with *Tennessee Code Annotated*, Section 47-18-126.

The Contractor shall return a unique transaction identifier or tokenized card number with each authorization/rejection for all data capture methods so the entire card number is not required to be stored on State of Tennessee applications unless storing the card number is required by superseding federal or State law.

- A.16. Security. The Contractor shall ensure that all transactions are compliant with the most current version of PCI DSS or its successor. The Contractor will maintain and ensure data integrity and user confidentiality and privacy as described in Section E.8. of this Contract. The Contractor will ensure that security provisions described in the Contractor's proposal to the State are maintained throughout the length of this Contract. The Contractor will report any compromise or breach of network security involving State of Tennessee transactional data in accordance with *Tennessee Code Annotated*, Section 47-18-2107. Upon execution of this Contract the State will provide current Data Breach Notification Procedures and contact information for the personnel that are to be notified of any compromise or breach.

The Contractor shall cooperate with and provide requested information for any PCI security assessment, whether it is the option of the State or required.

- A.17. Europay, MasterCard, and Visa (EMV). The Contractor shall provide an EMV certified solution with the infrastructure and processing capabilities necessary to accept integrated circuit cards, "chip cards", and support PIN requirements by the implementation date of October 2015.

- A.18. Reporting. The Contractor shall provide a web-based online reporting solution hosted by the Contractor for the tracking of all transactions. The reporting solution shall comply with all applicable security policies and standards including PCI DSS, "State of Tennessee Enterprise Information Security Policies", and "State of Tennessee Policy 24 Electronic Commerce", as they are amended from time to time.

The Contractor shall control access to its reporting solution as required by the above-referenced "State of Tennessee Enterprise Information Security Policies" and in accordance with PCI DSS. The Department of Finance and Administration's Division of Accounts must approve agency requests for each employee's access to the reporting solution, and unlimited points of access must be provided. Each agency must be able to access reporting for all of its agency and MID levels but not to any other agencies' reporting solution levels. The Department of Finance and Administration's Division of Accounts shall have access to all reporting solution levels.

The Contractor's reporting solution shall allow customization so that information can be gathered and compiled at the statewide (corporate) level, agency level, and individual merchant identification number (MID) level. The reporting solution shall maintain transaction information for the duration of the contract.

The Contractor's reporting solution shall provide, but is not limited to the following daily reports:

- a. Captured and settled transactions (all card types) by MID detailed by transaction, in one report
- b. Authorization – detail and summary
- c. Chargeback and Retrievals
- d. Disputed Card Items
- e. e-Check Returns

The reporting solution shall provide the option to export all reports into the current version of Microsoft Excel. All daily reports should be available to review or download on the next business day.

The Contractor shall report in writing to the State all Service Fees (as defined in Section A.11.) on a monthly or other mutually agreed upon basis. The Contractor shall report data pertaining to Service Fees (as defined in Section A.11.) in a format mutually agreed upon in writing by the Contractor and the State which may include but is not limited to the Service Fees (as defined in Section A.11.) charged to participating MIDs.

- A.19. Notification of Rate Changes. The Contractor shall provide notification by e-mail to the State of all applicable industry-wide interchange, dues, assessments and other fee changes as soon as the changes are published on the Internet and provide an Internet website where the changes can be found.
- A.20. Statewide Rollout. The Contractor shall develop and implement a plan of the statewide rollout ("Statewide Rollout Plan") of services under this Contract to smoothly transition from the current contract. The Statewide Rollout Plan, which shall include an installation and implementation schedule, will be submitted to the State for review and approval within three (3) business days after the contract start date. The Contractor shall maintain and update the Statewide Rollout Plan as needed, with input and approval from the State, throughout the Contract term. This Plan shall include the Contractor's process and timeline to become certified with the State's existing application interfaces.
- A.21. Existing Application Interfaces. The Contractor must be able to process transactions and accept settlement files from existing systems.
- a. The Contractor shall be certified with System Innovators Inc.'s iNovah software package, the State's current point of sale cashing application no later than ninety (90) calendar days after the contract start date. If during the term of this Contract the State's contract with System Innovators is terminated, the Contractor shall process transactions from the

subsequent cashiering application within ninety (90) calendar days of receiving notification by the State of the change in contractors.

- b. The Contractor shall be certified with Megasys Hospitality Management Systems' (HMS') Portfolio, Hospitality Management System, and its MegaTouch Point of Sale, the reservation system used by the Tennessee State Parks Division of the Department of Environment and Conservation no later than ninety (90) calendar days after the contract start date. If during the term of the Contract the State's contract with Megasys Hospitality Management Systems' is terminated, the Contractor shall process transactions from the subsequent reservation system within ninety (90) calendar days of receiving notification by the State of the change in contractors.
- c. The Contractor shall be certified with the State's current portal contractor, NICUSA, Inc no later than ninety (90) calendar days after the contract start date. If during the term of this Contract the State executes a portal services contract with a different contractor, the Contractor shall process transactions from the subsequent portal contractor within ninety (90) calendar days after notification by the State of the change in portal contractors.
- d. The Contractor shall be certified with Rev'd Up's Itinio Reservation System used by the Tennessee State Parks Division of the Department of Environment and Conservation no later than ninety (90) calendar days after the contract start date. If during the term of the Contract the State's contract with Rev'd Up is terminated, the Contractor shall process transactions from the subsequent reservation system within ninety (90) calendar days of receiving notification by the State of the change in contractors
- e. The Contractor shall be certified with Golf Now's Fore! Reservations used by the Tennessee State Parks Division of the Department of Environment and Conservation no later than ninety (90) calendar days after the contract start date. If during the term of the Contract the State's contract with Golf Now is terminated, the Contractor shall process transactions from the subsequent reservation system within ninety (90) calendar days of receiving notification by the State of the change in contractors

All interfaces for existing applications including upgrades or new versions must be supported by the Contractor at the Contractor's expense.

A.22. Industry Support. The Contractor shall support and process industries including but not limited to lodging, hospitality and restaurant, food and beverage, and retail. The Contractor shall support specific lodging industry requirements such as, but not limited to, check-in/check-out dates, authorization amounts held until a later settlement time, multiple authorizations, reverse authorizations, and incremental authorizations.

A.23. Alternate Site and Systems. The Contractor will establish and maintain an alternative processing arrangement adequate to resume immediately authorization and processing services provided under this agreement, in the event the Contractor's primary operation site or equipment is unavailable due to either human error, equipment failure, man-made or natural disaster.

In such event, the Contractor shall, within twenty-four (24) hours of the occurrence of such event, notify the State in writing.

A.24. Compatible Equipment/Software. At the applicable agency's or the State's request, the Contractor shall provide equipment and/or software, including terminals, key pads or alternative devices necessary to process card transactions at merchant/sales locations. All equipment provided will be new, commercially available equipment. The Contractor will only provide and/or use PCI compliant equipment and software. The Contractor shall offer POS terminals capable of accepting EMV/Chip enabled cards. POS terminals capable of accepting contactless payment shall also be provided.

The Contractor shall provide routine and non-routine servicing and maintenance of equipment at each location on conditions and terms to be mutually agreeable to the Contractor and the State.

The Contractor shall reprogram or re-inject existing equipment to ensure compliance with any current State or federal laws or industry standards as well as any laws or standards that may be set forth at a future time. The Contractor shall provide technical support and troubleshooting help for the State of Tennessee's existing and future equipment. The Contractor shall replace broken equipment under warranty, when applicable, and serve as the State's advocate when handling equipment issues with the manufacturer. In the event of an equipment malfunction the Contractor shall repair or replace the malfunctioning equipment within forty-eight (48) hours of receipt of notification from the agency. In such an event when the malfunctioning equipment has to be replaced the Contractor shall ship the replacement equipment to the agency so it can be installed and functioning within the forty-eight (48) hour timeframe.

- A.25. Annual Business Analysis. The Contractor shall conduct annually at least one annual business analysis of services provided to the State with the goal of optimizing and improving the utilization of such services by all agencies. The Contractor shall report its findings which shall include annual transaction volumes by MID and/or by data capture method on the State's fiscal year from July 1 through June 30 and the amount of revenues paid the Contractor by MID during the fiscal year. Other pertinent statistics shall be reported including but not limited to the number of MIDs, average ticket size, mix of card types, effective interchange rates, etc. This report shall be provided within sixty (60) days of the State's fiscal year end.
- A.26. Merchant Category Code (MCC) Designation. The State desires to receive the best available rate with as many transactions as possible being coded with a qualified rate category, or other similar appropriate clearing level designation. The Contractor shall provide adequate coding and monitoring procedures to ensure the best and appropriate MCC is assigned to transactions.

The monitoring procedures shall include biannual reports to the State presenting transactions by agencies that are experiencing excessive downgrades with suggestions on how these downgraded transactions might be improved. The State acknowledges that each agency must adhere to the industry Interchange Fee data requirements that may be in effect from time to time in order to obtain the best available rate.

- A.27. Contract Services and Service Rates. The State permits the extension of the Contractor's services and service rates to political subdivisions of the State of Tennessee such as city and county governments and special districts as well as to the institutions of the University of Tennessee and the Tennessee Board of Regents. These extensions must be implemented through separate agreements between Contractor and the political subdivision or the institutions of the University of Tennessee or the Tennessee Board of Regents. Neither the State of Tennessee or the Department of Finance and Administration will be a party to such agreements or have any liability under such agreements.
- A.28. Project Staff. At a minimum, the State requires the Contractor to supply the following Core Team personnel:
- One (1) Project Manager with a minimum of two (2) years of current experience in managing large, complex projects with outstanding interpersonal and communication skills. The project manager must have management responsibility for project quality. He/she must have sufficient authority to act independently to resolve quality related issues at the project level. The project manager must maintain current knowledge of the project's status and be accessible to State project management. The Project Manager shall notify the State of all updates in the requirements mandated by the applicable card associations as well as any changes required by PCI DSS or its successor.
 - One (1) Customer Service Representative with a minimum of two (2) years of current experience as a Customer Service Representative with excellent analytical, interpersonal and communication skills. The Customer Service Representative is expected to be the lead role for the day-to-day operations and interactions that may occur between the State and the Contractor. Areas of knowledge should include, but not be limited to, transaction processing, settlements, data, and reconciliation of transactions and automated clearing house deposits and fees. If the Customer Service Representative cannot provide timely

and accurate solution to a reconciliation problem, the issue will escalate to the Project Manager for resolution.

- One (1) Technical Solutions Representative with a minimum of two (2) years of current experience participating in and coordinating system interfaces with outstanding interpersonal and communication skills. The technical solutions representative is expected to coordinate the successful resolution of technological issues that are encountered above and beyond day-to-day operations. Areas of action would include system interface certifications, connectivity issues, and reporting solution issues not related to end-user training.

Core Team personnel will be available for weekly conference calls during conversion and rollout and throughout the Contract as requested by the State. In addition, the Contractor will provide a customer service center which operates 24 hours a day, 365 days per year for day-to-day resolution of acceptance, authorization, processing or settlement issues.

- A.29. Technical Support, Performance Monitoring and Problem Resolution. The Contractor shall provide technical support for the successful management, operation and implementation of the proposed solution, which must operate 24 hours a day, 365 days per year.

The Contractor will monitor the performance of systems and upgrade as warranted to improve the efficiency of systems. The State shall be notified at least three (3) days in advance by e-mail of any system upgrades and updated at regular intervals by e-mail regarding the progress of system upgrades.

The State shall be notified by e-mail immediately but no later than 24 hours of problems with the network, hardware, or software and updated at regular intervals by e-mail regarding problem resolution.

- A.30. Training. The Contractor shall provide training sessions through delivery methods and at locations determined by the State and at times mutually agreeable to both the Contractor and the State. Agency staff attending these sessions will include staff from the business, accounting and technical areas.

The training sessions may include but are not limited to:

- Utilizing Contractor provided reporting solution
- Installing and utilizing equipment or software
- Training on PCI DSS requirements.
- Operating Contractor Prepaid Card System

In addition, the Contractor will provide continuation training by telephone to State staff members as part of its regular merchant services. Such training shall include but is not limited to applying for new MIDs, utilizing services provided under this contract, authorization and settlement processes, implications of processing cut-off times for settlement, reporting capability for reconciliation, and dispute and chargeback processes as well as other industry rules, terms and conditions.

- A.31. Prepaid Card System. The Contractor shall provide closed-loop prepaid card solutions to the State. Configuration of each system shall be determined at the MID level to allow for customization of acceptance location within each of the systems. The State must have the ability to add and remove locations after a system is operational. Prepaid cards must be loadable and redeemable on multiple platforms (i.e. Different POS systems) and through multiple terminal types as well as over the internet. All prepaid card activation and redemptions shall be processed real-time.

Prepaid cards shall be reloadable and have no expiration date. Such cards shall not be dependent on a specific processor and shall be transferred to a new contractor without lapse in service if the current contract were to expire or terminate.

The Contractor shall provide customer-printed magnetic stripe or chip enabled cards for each prepaid card system. Artwork displayed on the card shall be provided by the State and approved in writing before card production.

All sales and redemptions of cards shall be available through a web-based online reporting solution as described in A.18. All monthly reports and other transaction management reports shall be available in tab and or comma delimited formats for exporting and importing into other report templates. The Contractor shall also provide a resource for card holders to inquiry on card balance either by telephone or internet. A link to the internet resource shall be provided for inclusion on the State's website.

B. CONTRACT PERIOD:

This Contract shall be effective for the period beginning January 1, 2015, and ending on December 31, 2019. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **Written Dollar Amount (\$Number)**. The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

- C.3. Payment Methodology. The Contractor's compensation received from the State shall not exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of services as defined in the Scope of Services section of this Contract. The Contractor shall be compensated as follows:

- a. The Contractor shall be compensated for items listed in the Scope of Services either by:
 - i. automated clearing house debit to the Account (as defined above in Section A.12.1.) based on the actual costs paid by the Contractor for the credit card associations' and the debit networks' interchange, dues, assessments and fees and the Unit Prices set forth in Attachment C to this Contract; or
 - ii. Service Fees charged to the cardholders by the Contractor comprised of (a) **[PERCENTAGE FROM COST PROPOSAL]**% of card items or (b) **[\$[AMOUNT FROM COST PROPOSAL]** per E-Check upon settlement. The State shall not be liable for the "Service Fees."
- b. The Contractor shall be compensated for Non-Prepriced Items (NPIs) pursuant to Contract Section E.18, without a formal amendment of this contract based upon the payment rates

detailed in Contract Attachment C and as agreed pursuant to said Section E.18, PROVIDED THAT compensation to the Contractor for such NPIs shall not exceed [NUMBER EQUAL TO SEVEN PERCENT (7%) OF THE TOTAL CONTRACT VALUE OF ALL OTHER SERVICES/PRODUCTS PROVIDED UNDER THIS CONTRACT; THIS NUMBER TO BE FILLED IN PRIOR TO CONTRACT APPROVAL]. If, at any point during the Contract period, the State determines that the estimated cost of necessary NPIs would exceed said maximum amount, the State shall amend this Contract to address the need.

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and as required below prior to any payment:

a. The Contractor shall submit invoices no more often but at least monthly, with all necessary supporting documentation, to:

Department of Finance and Administration
 Division of Accounts – Cash Management
 Attn: Carrie Dawson
 312 Rosa L. Parks Avenue
 21st Floor Tennessee Tower
 Nashville, TN 37243

b. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

- (1) Invoice Number (assigned by the Contractor)
- (2) Invoice Date
- (3) Contract Number (assigned by the State)
- (4) Customer Account Name: Division of Accounts, Department of Finance and Administration
- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
- (6) Contractor Name
- (7) Contractor Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
- (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (11) Complete Itemization of Charges, which shall detail the following:
 - i. Service or Milestone Description (including name & title as applicable) of each service invoiced
 - ii. Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced
 - iii. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced
 - iv. Amount Due by Service
 - v. Total Amount Due for the invoice period

c. The Contractor shall submit the invoice with the following details:

- (1) Summary Invoice. A summary of all charges for all MIDs detailed by MCC, card type, and card type rates, Contractor fees, and equipment charges. The total of the Summary Invoice shall match the amount of the automated clearing house withdrawal. (Sample Summary Invoice is presented in Attachment D.)

- (2) Billing Detail by MID. An individual invoice for each MID detailed by MCC, card type, and card type rates, Contractor fees, and equipment charges. The individual Billing Detail by MID amounts shall total the Summary Invoice. (Sample Billing Detail by MID is presented in Attachment E.)
- (3) Fee Per MID. A downloadable Excel invoice listing each MID and the fee amount charged to that MID, which should agree to the Billing Detail by MID. The grand total shall match the amount of the Summary Invoice. (Sample Fee per MID is presented in Attachment F.)

d. The Contractor understands and agrees that an invoice under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) only be submitted for completed service and shall not include any charge for future work;
- (3) not include sales tax or shipping charges; and
- (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice and the invoice meets the minimum requirements of this section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the Contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least thirty (30) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment A,

hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to State officials upon request.

- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public

liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.21. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health (HITECH) Act and any other relevant laws and regulations regarding privacy (collectively the "Privacy Rules").
- a. Contractor warrants to the State that it is familiar with the requirements of the Privacy Rules, and will comply with all applicable requirements in the course of this Contract.
 - b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by the Privacy Rules, in the course of performance of the Contract so that both parties will be in compliance with the Privacy Rules.
 - c. The State and the Contractor will sign documents, including but not limited to business associate agreements, as required by the Privacy Rules and that are reasonably necessary to keep the State and Contractor in compliance with the Privacy Rules. This provision shall not apply if information received or delivered by the parties under this Contract is NOT "protected health information" as defined by the Privacy Rules, or if the Privacy Rules permit the parties to receive or deliver such information without entering into a business associate agreement or signing another such document.
 - d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of the Privacy Rules. This includes the costs of responding to a breach of protected health information, the costs of responding to a

government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation.

E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.

E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Carrie Dawson, Director of Cash Management
 Department of Finance and Administration,
 Division of Accounts – Cash Management
 312 Rosa L. Parks Avenue,
 21st Floor Tennessee Tower
 Nashville, TN 37243-1102
Carrie.Dawson@tn.gov
 Telephone # 615.741.9562

The Contractor:

Contractor Contact Name & Title
Contractor Name
Address
Email Address
Telephone # Number
FAX # Number

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of

“employee/employer” and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.

- E.5 Tennessee Department of Revenue Registration. The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.
- E.6. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:
- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or State department or agency;
 - b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, State, or local) transaction or grant under a public transaction; violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
 - c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, State, or local) with commission of any of the offenses detailed in section b. of this certification; and
 - d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, State, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

- E.7. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:
 - i. Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
 - b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

- E.8. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable State and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, State and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable State and federal law, State and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or State law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.9. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

- a. this Contract document (excluding the items listed at subsections b. through f., below);
- b. any Contract attachments or exhibits;
- c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- d. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
- e. any technical specifications provided to respondents during the procurement process to award this Contract;
- f. the Contractor's proposal seeking this Contract.

E.10. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to State or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.

E.11. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP 31701-05041 (RFP Attachment 6.2, Section B, Item B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

E.12. Interchange, Dues, Assessments and Fees. The Contractor shall maintain documentation of the actual costs for the credit card associations' and the debit networks' interchange, dues, assessments and fees paid by the Contractor. The Contractor shall provide such documentation as well as documentation of the credit card associations' and the debit networks' interchange descriptions, rates and fees at the State's request. The Contractor shall maintain such documentation in accordance with Section D.9. Records.

E.13. Performance Standard Guarantee.

Standards. The Contractor agrees the following performance standard shall be met upon successful implementation in accordance with the approved installation and implementation schedule.

Assuming that national electronic payment networks and communication networks are working properly, card transaction processing shall be continuous.

Guarantee. If none of the State's MIDs have the capability to authorize transactions for a twenty four (24) hour period, the Contractor's compensation shall be reduced by \$500 for each such 24-hour lapse of service.

Waiver of Reduction. The State shall notify the Contractor in writing within ten (10) calendar days of any reduction in compensation to be made pursuant to this Section. An amount assessed hereunder may be waived by the State upon presentation of written documentation from the Contractor showing that the standard was not met for reasons beyond the Contractor's reasonable control. Such documentation must be submitted to the State within ten (10) calendar days of the issuance of a notice of reduction.

- E.14. Contract Services Transition. Upon conclusion of this Contract for whatever reason (expiration or termination), the Contractor shall assist the State to ensure an orderly transfer of responsibility and/or continuity of those services required under the terms of the contract to an organization designated by the State, if requested in writing. The Contractor shall discontinue providing the service or accepting new assignments under the terms of this Contract, in a manner and on the date specified by the State, in order to insure the completion of such service prior to the termination of the Contract.
- E.15. Limitation of Liability. The parties agree that the Contractor's liability under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in section C.1. and as may be amended, PROVIDED THAT in no event shall this section limit the liability of the Contractor for intentional torts, criminal acts, or fraudulent conduct.
- E.16. Disclosure of Personal Identity Information. The Contractor shall report to the State any instances of unauthorized disclosure of confidential information that come to the attention of the Contractor. Any such report shall be made by the Contractor within twenty-four (24) hours after the instance has come to the attention of the Contractor. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals that are deemed to be part of a potential disclosure. The Contractor shall bear the cost of notification to individuals having personal identity information involved in a potential disclosure event, including individual letters and/or public notice.
- E.17. Transfer of Contractor's Obligations.
- a. The Contractor shall immediately notify the State in writing of a proposed merger, acquisition or sale of its business operation, or the part of its business operation that provides services under this Contract, or that this Contract will be sold to or assumed by another entity. The entity that is proposed to assume the Contractor's duties under this Contract, whether through merger, acquisition, sale or other transaction, will be hereinafter described as the New Entity.
 - b. The Contractor (or, if the Contractor no longer exists as a legal entity, the New Entity) will provide to the State within a reasonable time, information that the State may require about the merger, acquisition or sale, which may include
 - i. the date and terms of the merger, acquisition or sale, including specifically, but not limited to, adequate documentation of the financial solvency and adequate capitalization of the proposed New Entity
 - ii. evidence of financial solvency and adequate capitalization of the proposed New Entity which may consist of,

- (1) Debt;
 - (2) Assets;
 - (3) Liabilities;
 - (4) Cash flow
 - (5) Percentage of the total revenues of the company that are represented by this Contract;
 - (6) The most recent annual financial reports;
 - (7) The most recent annual financial reports filed with government agencies, if applicable.
- iii. a complete description of the relationship of any New Entity to any parent company or subsidiary or division resulting from the merger, acquisition or sale of the original Contractor's business or the part of the original Contractor's business that provides services under this Contract or from assumption by, or sale to, another entity of the contract itself, including:
- (1) the names and positions of corporate or company officers, project managers, other Contractor management staff with responsibilities under the Contract, and numbers and the type of technical or other personnel who will be responsible for fulfilling the obligations of the Contract, and any subcontracts that will be used to provide any personal or other services under the Contract by the New Entity and,
 - (2) an organizational chart clearly describing the organizational structure of the New Entity, parent company, subsidiary, division or other unit of the entity or parent company with which it has merged or by which it, or the Contract, has been acquired.
- iv. such additional evidence of financial solvency, adequate capitalization and information regarding corporate organizational and personnel assigned to the Contract as the State determines is necessary to evaluate the status of the proposed or consummated merger, acquisition or sale.
- c. The original Contractor shall immediately notify the State in writing in the event of a change in its legal name and/or Federal Employer Identification Number (FEIN). The Contractor shall comply with State requests for copies of any documents that have been filed with state corporate records officials or other officials in the state of its incorporation that verify the name change and a narrative description of the reasons for the name change. If a New Entity has succeeded to the interest of the original Contractor, it shall immediately provide the State written notification of its Federal Employer Identification Number (FEIN), its complete corporate name, State of incorporation, and other documentation required to effectuate the transfer.
- d. Notwithstanding any other provisions of this Contract to the contrary, the State may immediately terminate this Contract in whole or in stages in the event that it determines that the New Entity
- i. has been debarred from State or Federal contracting in the past five years
 - ii. has had a contract terminated for cause by the State of Tennessee within the past five years.

The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor or New Entity for compensation for any service which has not been rendered. Upon such termination, the Contractor or New Entity shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- e. The New Entity shall provide to the State within ten (10) business days of the State's request, a notarized Statement signed by an individual authorized to bind the New Entity certifying that all liabilities and obligations incurred by the former Contractor are assumed by the New Entity.
- f. If the New Entity owes money to the State of Tennessee, it acknowledges that Tennessee Code Annotated Section 9-4-604 requires repayment of these funds and will enter into a legally binding agreement for repayment.

E.18. Catalog of Services Supplements (Non-Prepriced Items).

- a. During the term of this contract, the State may request that the Contractor update the Catalog of Services with additional line items, otherwise known as "Non-Prepriced Items" or "NPIs." The NPIs shall be within the general scope of services. The State shall provide the Contractor with a written description of the NPI, and the Contractor shall submit a price to the State for the NPI.
- b. The State requires that the pricing offered to the State for NPIs be competitive with pricing offered to the market in general. The Contractor must provide detailed documentation to the State to substantiate the proposed cost(s). This documentation may be in the form of invoices sent by the Contractor to its other customers, cost comparison reports featuring other similarly positioned customers, commercially available price lists; or, if applicable, documentation that reflects the cost of materials or other inputs to the Contractor, such as invoices to the Contractor from its supplier(s), records of employment costs, component costs, or other documentation that clearly and specifically verifies the cost of the input resources to the Contractor.
- c. For any input resource that is a component of an NPI, or for the NPI itself, the State shall have the option to require the Contractor to obtain three (3) bids for the item(s) in question. If the State invokes this option, the Contractor must incorporate the item(s) with the lowest bid price into its NPI proposed cost. In this event, the Contractor will provide to the State records of the bid and evaluation process to substantiate that the lowest bid price(s) were used.
- d. If the State and Contractor reach an agreement regarding the service(s) and the cost(s) associated with the NPI, the State will add the new line item(s) to Contract Attachment C, Catalog of Services, through a memorandum to the project file.
- e. All Contractor, Supplier, or Subcontractor pricing information used in determining the price(s) for NPIs shall be subject to audit by the State, the Tennessee Comptroller of the Treasury, or their duly appointed representatives. Such audit shall be performed during normal business hours upon reasonable notice by the State.

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

LARRY B. MARTIN, COMMISSIONER

DATE

ATTACHMENT A**ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE**

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

ATTACHMENT B

MERCHANT AGREEMENT

After contract award and prior to Contract approval, the State shall insert the mutually agreed-upon merchant agreement following this page.

CATALOG OF SERVICES - UNIT PRICES

After contract award and prior to Contract approval, the State shall insert the mutually agreed-upon catalog of services – unit prices following this page.

Sample Summary Invoice

(sample presents the required data items but the layout may vary)

**Summary Invoice
For State of Tennessee**

14th Floor, Division of Accounts
W.R. Snodgrass Bldg
312 Rosa L. Parks Avenue North
Nashville, TN 37243

Contract Number
Contractor Name
Contractor Remittance Address
Contractor Federal Employer Identification Number
Contractor Contact
Contact Phone Number:

Account name:
Account/Customer Number:
Invoice Reference Number:
Service for the Month of _____, Year
Invoice Date:
Page: #

Description	Quantity	Code (e.g. MCC)	\$ Volume	% per \$ Volume	\$ per item	Total
INTERCHANGE, DUES, ASSESSMENTS, FEES AND RATES						
Visa (e.g. CPS/Retail 2 for Select Emerging Markets Credit)	X,XXX	(e.g. VCR2)	\$XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
MasterCard (e.g. Merit III)	X,XXX	(e.g. MM3)	\$XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
Debit Cards (e.g. Star Tier 3 Retail)	X,XXX	XXXX	\$XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
Discover Rate	X,XXX		\$XXX,XXX.XX	XX.XXXX		\$ XXX.XX
American Express Rate	X,XXX		\$XXX,XXX.XX	XX.XXXX		\$ XXX.XX
Total for Interchange, Dues, Assessments, Fees, Rates:						\$ XXX.XX
AUTHORIZATION AND PROCESSING FEES						
Visa	X,XXX		\$ XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
MasterCard	X,XXX		\$ XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
Discover - POS	X,XXX		\$ XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
Discover - Internet	X,XXX		\$ XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
American Express - POS	X,XXX		\$ XXX,XXX.XX		\$ X.XX	\$ XXX.XX
American Express - Internet	X,XXX		\$ XXX,XXX.XX		\$ X.XX	\$ XXX.XX
Debit Cards	X,XXX				\$ X.XX	\$ XXX.XX
Virtual Terminal	X,XXX				\$ X.XX	\$ XXX.XX
Total for Authorization and Processing Fees:						\$ XXX.XX
EQUIPMENT FEES						
(e.g. Terminal and Software charges)	X,XXX				\$ X.XX	\$ XXX.XX
(e.g. Terminal and Software charges)	X,XXX				\$ X.XX	\$ XXX.XX
Total for Equipment Fees:						\$ XXX.XX
EQUIPMENT MAINTENANCE FEES						
Monthly Maintenance/Support for POS Terminal & Software	X,XXX				\$ X.XX	\$ XXX.XX
Total for Equipment Maintenance Fees:						\$ XXX.XX
MERCHANT IDENTIFICATION # FEES						
New Merchant Identification Number Setup	X,XXX				\$ X.XX	\$ XXX.XX
Merchant Identification Number Maintenance	X,XXX				\$ X.XX	\$ XXX.XX
Total for Merchant Identification # Fees:						\$ XXX.XX
Grand Total						\$

Sample Billing Detail by MID

(The sample follows this page; sample presents the required data items but the layout may vary)

ATTACHMENT E

**Billing Detail by MID
For State of Tennessee**

14th Floor, Division of Accounts
W.R. Snodgrass Bldg
312 Rosa L. Parks Avenue North
Nashville, TN 37243

Merchant Name:
Merchant ID:

Contract Number
Contractor Name
Contractor Remittance Address
Contractor Federal Employer Identification Number
Contractor Contact
Contact Phone Number:

Account name:
Account/Customer Number:
Invoice Reference Number:
Service for the Month of _____, Year
Invoice Date:
Page: #

Description	Quantity	Code (e.g. MCC)	\$ Volume	% per \$ Volume	\$ per item	Total
INTERCHANGE, DUES, ASSESSMENTS, FEES AND RATES						
Visa <i>(e.g. CPS/Retail 2 for Select Emerging Markets Credit)</i>	X,XXX	<i>(e.g. VCR2)</i>	\$XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
MasterCard <i>(e.g. Merit III)</i>	X,XXX	<i>(e.g. MM3)</i>	\$XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
Debit Cards <i>(e.g. Star Tier 3 Retail)</i>	X,XXX	XXXX	\$XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
Discover Rate	X,XXX		\$XXX,XXX.XX	XX.XXXX		\$ XXX.XX
American Express Rate	X,XXX		\$XXX,XXX.XX	XX.XXXX		\$ XXX.XX
Total for Interchange, Dues, Assessments, Fees, Rates:						\$ XXX.XX
AUTHORIZATION AND PROCESSING FEES						
Visa	X,XXX		\$ XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
MasterCard	X,XXX		\$ XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
Discover - POS	X,XXX		\$ XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
Discover - Internet	X,XXX		\$ XXX,XXX.XX	XX.XXXX	\$ X.XX	\$ XXX.XX
American Express - POS	X,XXX		\$ XXX,XXX.XX		\$ X.XX	\$ XXX.XX
American Express - Internet	X,XXX		\$ XXX,XXX.XX		\$ X.XX	\$ XXX.XX
Debit Cards	X,XXX				\$ X.XX	\$ XXX.XX
Virtual Terminal	X,XXX				\$ X.XX	\$ XXX.XX
Total for Authorization and Processing Fees:						\$ XXX.XX
EQUIPMENT FEES						
<i>(e.g. Terminal and Software charges)</i>	X,XXX				\$ X.XX	\$ XXX.XX
<i>(e.g. Terminal and Software charges)</i>	X,XXX				\$ X.XX	\$ XXX.XX
Total for Equipment Fees:						\$ XXX.XX
EQUIPMENT MAINTENANCE FEES						
Monthly Maintenance/Support for POS Terminal & Software	X,XXX				\$ X.XX	\$ XXX.XX
Total for Equipment Maintenance Fees:						\$ XXX.XX
MERCHANT IDENTIFICATION # FEES						
New Merchant Identification Number Setup	X,XXX				\$ X.XX	\$ XXX.XX
Merchant Identification Number Maintenance	X,XXX				\$ X.XX	\$ XXX.XX
Total for Merchant Identification # Fees:						\$ XXX.XX
Grand Total						\$

For RFP Attachment 6.7, Card Activity Analysis, see the following website: <http://www.tn.gov/finance/oir/pcm/rfps.html>

**Data Flow Description
Stand-Alone POS Terminal Transactions**

AUTHORIZATION

1. A customer visits a state location and swipes a credit card to pay for goods or services.
2. Transaction data and authorization request are communicated to the Processor via a secure electronic connection.
3. The Processor forwards the transaction data and authorization request through the Card Payment Network to the Card Issuer.
4. The Card Issuer queries the customer's account and either approves or declines the transaction.
5. If approved, the Card Issuer confirms with an authorization code. If denied, a reason for denial is communicated. This information is sent back to the Processor.
6. Upon receipt, the Processor assigns a unique identifier or tokenized card number to the transaction. This is included in the authorization data returned to the POS device.
7. The Cashier informs the customer of the approval or denial of the transaction.

CLEARING AND SETTLEMENT

1. At the end of each day, transactions ready for settlement are batched and submitted to the Processor via a secure electronic connection.
2. The Processor distributes the transactions to the Card Payment Network where they are then directed to the appropriate Card Issuer.
3. The Card Issuer charges the customer's account and remits the funds back through the Card Payment Network to the Processor.
4. The Processor arranges for the principle/gross amount of funds to be settled as an ACH into the authorized bank account.
5. The period of time between the presentment of card items to the Processor and the credit of funds to the State's account shall not exceed two business days.
6. Monthly, the Processor bills the State fees pursuant to the contract. The fees are debited from the State's bank account as an ACH.

**Data Flow Description
Virtual Terminal Transactions****AUTHORIZATION**

1. A customer visits a state location and swipes a credit card to pay for goods or services.
2. Transaction data and authorization request are communicated to the Processor via a secure URL site.
3. The Processor forwards the transaction data and authorization request to the Card Payment Network where it is sent to the Card Issuer.
4. The Card Issuer queries the customer's account and either approves or declines the transaction.
5. If approved, the Card Issuer confirms with an authorization code. If denied, a reason for denial is communicated. This information is sent back to the Processor.
6. Upon receipt, the Processor assigns a unique identifier or tokenized card number to the transaction. This is included in the authorization data returned to the virtual terminal.
7. The Cashier informs the customer of the approval or denial of the transaction.

CLEARING AND SETTLEMENT

1. At the end of each day, transactions ready for settlement are batched and submitted to the Processor via a secure URL site.
2. The Processor distributes the transactions to the Card Payment Network where they are then directed to the appropriate Card Issuer.
3. The Card Issuer charges the customer's account and remits the funds back through the Card Payment Network to the Processor.
4. The Processor arranges for the principle/gross amount of funds to be settled as an ACH into the authorized bank account.
5. The period of time between the presentment of card items to the Processor and the credit of funds to the credit of funds to the State's account shall not exceed two business days.
6. Monthly, the Processor bills the State fees pursuant to the contract. The fees are debited from the State's bank account as an ACH.

**Data Flow Description
iNovah Transactions****AUTHORIZATION**

1. A customer visits a state location and swipes a card to pay for goods or services.
2. Upon swipe, iNovah sends the request to the iNovah server.
3. Transaction Data and the authorization request are forwarded from the iNovah server to the Processor over the internet through an application programming interface (API) connection.
4. The Processor forwards the request to the Card Payment Network where it is sent to the Card Issuer.
5. The Card Issuer queries the customer's account and either approves or declines the transaction.
6. If approved, the Card Issuer confirms with an authorization code. If denied, a reason for denial is communicated. This information is sent back to the Processor.
7. Upon receipt, the Processor assigns a unique identifier to the transaction. This is included in the authorization data returned to iNovah.
8. iNovah stores the transaction results.
9. The Cashier informs the customer of the approval or denial of the transaction.
10. If approved, iNovah transmits transaction information to the agency system to record.

CLEARING AND SETTLEMENT

1. At the end of each day, transactions ready for settlement are batched and submitted by iNovah to the Processor via the API connection.
2. The Processor distributes the transactions to the Card Payment Network where they are then directed to the appropriate Card Issuer.
3. The Card Issuer charges the customer's account and remits the funds back through the Card Payment Network to the Processor.
4. The Processor arranges for the principle/gross amount of funds to be settled as an ACH into the authorized bank account.
5. The period of time between the presentment of card items to the Processor and the credit of funds to the State's account shall not exceed two business days.
6. Monthly, the Processor bills the State fees pursuant to the contract. The fees are debited from the State's bank account as an ACH.

**Data Flow Description
NICUSA, Inc. Portal Transactions**

AUTHORIZATION

1. A customer visits Tn.gov and selects an online service. Card information is entered and submitted by the customer as payment for the service.
2. The transaction is submitted by the customer to NIC. The following information is retained by NIC before it is sent to the Processor:
 - a. Customer Name
 - b. Address
 - c. Card Type
 - d. Last 4 Digits of the Card Number
 - e. Amount
3. Transaction Data and the authorization request are forwarded from NIC to the Processor over the internet through an application programming interface (API) connection.
4. Upon receipt, the Processor assigns a unique identifier or tokenized card number to the transaction. This is included in the authorization data returned to NIC.
5. The Processor forwards the request to the Card Payment Network where it is sent to the Card Issuer.
6. The Card Issuer queries the customer's account and either approves or declines the transaction.
7. If approved, the Card Issuer confirms with an authorization code. If denied, a reason for denial is communicated. This information is sent back to the Processor.
8. NIC stores the transaction results and sends them to the customer.
9. If approved, NIC transmits transaction information to the agency subsystem so their records can be properly updated.

CLEARING AND SETTLEMENT

1. At the end of each day, transactions ready for settlement are batched and submitted by NIC to the Processor via the API connection.
2. The Processor distributes the transactions to the Card Payment Network where they are then directed to the appropriate Card Issuer.
3. The Card Issuer charges the customer's account and remits the funds back through the Card Payment Network to the Processor.
4. The Processor arranges for the principle/gross amount of funds to be settled as an ACH into the authorized bank account.
5. The period of time between the presentment of card items to the Processor and the credit of funds to the State's account shall not exceed two business days.
6. Monthly, the Processor bills the State fees pursuant to the contract. The fees are debited from the State's bank account as an ACH.

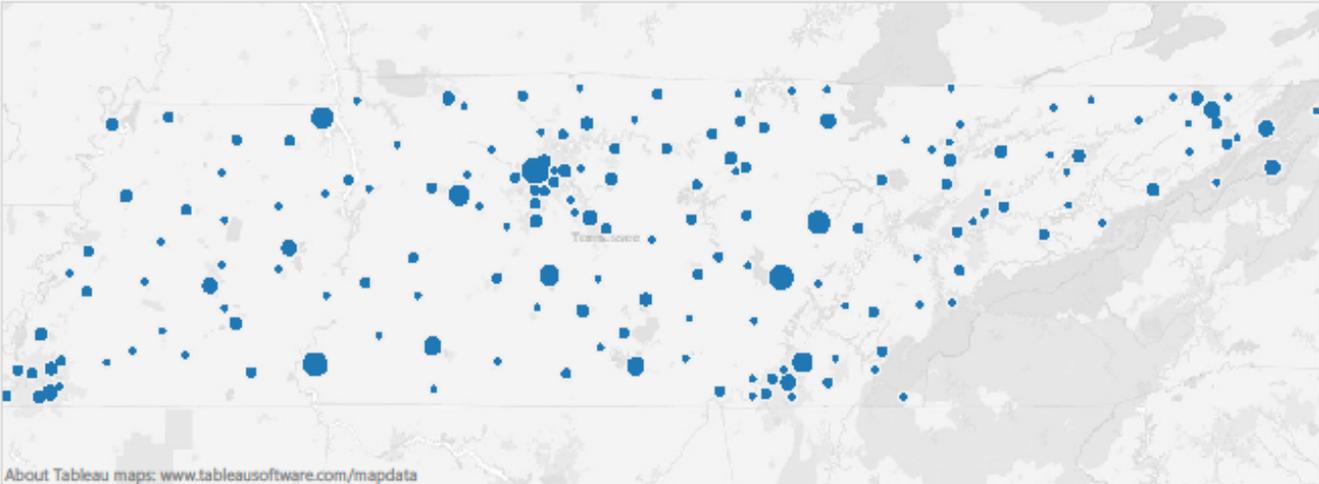
**Data Flow Description
TDEC Park Transactions****AUTHORIZATION**

1. A customer visits a state location and swipes a credit card to pay for goods or services.
2. Transaction data and authorization request are forwarded from the third party vendor to the Processor over the internet through an application programming interface (API) connection.
3. Upon receipt, the Processor assigns a unique identifier or tokenized card number to the transaction. This is included in the authorization data returned to the third party vendor.
4. The Processor forwards the transaction data and authorization request to the Card Payment Network where it is sent to the Card Issuer.
5. The Card Issuer queries the customer's account and either approves or declines the transaction.
6. If approved, the Card Issuer confirms with an authorization code. If denied, a reason for denial is communicated. This information is sent back to the Processor.
7. The third party vendor stores the transaction results.
8. The Cashier informs the customer of the approval or denial of the transaction.

CLEARING AND SETTLEMENT

1. At the end of each day, transactions ready for settlement are batched and submitted by the third party vendor to the Processor via the API connection.
2. The Processor distributes the transactions to the Card Payment Network where they are then directed to the appropriate Card Issuer.
3. The Card Issuer charges the customer's account and remits the funds back through the Card Payment Network to the Processor.
4. The Processor arranges for the principle/gross amount of funds to be settled as an ACH into the authorized bank account.
5. The period of time between the presentment of card items to the Processor and the credit of funds to the State's account shall not exceed two business days.
6. Monthly, the Processor bills the State fees pursuant to the contract. The fees are debited from the State's bank account as an ACH.

Distribution of Point of Sale Locations (371 MIDs)



Locations with at least 6 MIDs

