

**DEPARTMENT OF FINANCIAL SERVICES****Contract Signature Page**

Contract Title e-Payment Collection and Processing Services	P.O. No. or Solicitation No., if any 1819-01 ITN TR	Contract Number TR227
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1. This Contract is entered into between the parties named below, located at the addresses that follow:

**The Department of Financial Services, 200 East Gaines St., Tallahassee, FL 32399** (hereinafter called the "Department")

**NIC Services, LLC, 25501 West Valley Parkway, Suite 300, Olathe, KS 66061** (hereinafter called the "Contractor")

2. Contract to Begin: The date last signed below ("Effective Date")	Date of Completion: Five (5) years from Effective Date	Renewals: Up to five (5) years
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3. Performance Bond, if any: \$10,000,000.00	Other Bonds, if any: N/A
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4. Total Value for Contract Term: \$0.00 -Value is based upon Participation Agreements	Total Value of Renewal(s): \$0.00 -Value is based upon Participation Agreements	Total Value of Contract Term Plus Renewal(s): \$0.00 -Value is based upon Participation Agreements
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5. Department's Contract Manager		Contractor's Contract Manager	
Name:	Trisha Williams	Name:	Sloane Wright
Address:	1801 Hermitage Blvd, Suite 400, Tallahassee, FL 32308	Address:	25501 West Valley Parkway, Suite 300, Olathe, KS 66061
Phone:	850-413-2752	Phone:	317-965-2765


6. The parties agree to comply with the terms and conditions of the following attachments which are hereby incorporated by reference:

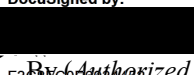
Attachment 1: Standard Terms and Conditions
Attachment 2: Statement of Work (including its Exhibit 1, Value-Added Services)
Attachment 3: Price Response
Attachment 4: PUR 1000
Attachment 5: Agency Participation Agreement
Attachment 6: Local Government Participation Agreement

7. The parties agree to comply with the terms and conditions of the following addenda which are hereby incorporated by reference:

Addendum A: Public Records Requirements
Addendum B: Data Security Requirements
Addendum C: Selected Portions of the BAFO

**IN WITNESS WHEREOF, this Contract is being executed by the parties and will begin on the Effective Date.**

8. NIC Services, LLC	<b>CONTRACTOR</b>
	10/5/2020   11:23 AM EDT
By (Authorized Signature) Sloane Wright, President	Date Signed
Printed Name and Title of Person Signing	

9. Department of Financial Services	<b>DEPARTMENT</b>
DocuSigned by: 	10/5/2020   11:25 AM EDT
By (Authorized Signature) Scott Fennell, Deputy Chief Financial Officer	Date Signed
Printed Name and Title of Person Signing	

**DEPARTMENT OF FINANCIAL SERVICES**  
**Standard Terms and Conditions**  
**(Applicable to Competitively Procured Contracts)**

**ATTACHMENT 1**

**1. Entire Contract.**

This Contract, including any Attachments and Addenda referred to herein and attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter. Any preprinted contract terms and conditions included on the Contractor's forms or invoices will be null and void. Any clickwrap, browse-wrap, or other such terms and conditions provided to the Department or a Participant outside of a formal, written amendment to this Contract will also be null and void.

**2. Contract Administration.**

- a. Order of Precedence. If there are conflicting provisions among the documents that make up the Contract, the order of precedence for the documents is as follows:
- i) Attachment 2, Statement of Work
  - ii) Contract Signature Page
  - iii) Attachments other than Attachments 1, 2, 3, and 4, if any, in the numerical order designated in the Contract Signature Page
  - iv) Attachment 1, Standard Terms and Conditions
  - v) Attachment 3, Price Response (from the BAFO)
  - vi) Addendum A, Public Records Requirements
  - vii) Addendum B, Data Security Requirements
  - viii) Attachment 4, Form PUR 1000, General Contract Conditions (PUR 1000)
  - ix) Addendum C, Selected Portions of the BAFO (other than the Price Response)

Notwithstanding the foregoing, if there is any discrepancy between Attachment 2, Statement of Work, and any incorporated portions of the Contract that were provided by the Contractor, the terms most favorable to the Department will prevail. Dates or signatures on any attachments hereto do not serve to negate the order of precedence set forth above. The Contract Signature Page, along with all attachments and addenda thereto other than Addendum C, Selected Portions of the Contractor's BAFO, will be collectively referred to as the "Master Contract."

- b. Approvals. All written and verbal approvals referenced in this Contract must be obtained from the parties' Contract Managers as designated in the Contract Signature Page, or their designees, if designated in writing.
- c. Contract Managers. In the event that different Contract Managers are designated by the Department, the Contractor, or a Participant (or that the contact information for the designated Contract Manager changes) after execution of this Contract or a Participation Agreement, notice of the name and contact information of the new Contract Manager shall be submitted in writing to all affected parties within ten (10) days of the change and maintained in the respective parties' Contract records. Designation of a new Contract Manager will not require a formal amendment to the Contract or Participation Agreement.
- d. Amendments. This Contract may be amended only by a written agreement between both parties.
- e. Definitions. The terms "Agency Participant," "Business Hours," "Core Platform," "Credit Monitoring Requirements," "Local Government Participant," "Optional Services," "Participant," "Participation Agreement," and "Statutory Requirements" have the meanings set forth in Attachment 2, Statement of Work.

**3. Contract Duration.**

- a. Term. The term of the Contract shall begin and end on the dates indicated on the Contract Signature Page, unless terminated earlier in accordance with the applicable terms and conditions.
- b. Renewals. Section 287.058(1)(g), Florida Statutes (F.S.), is hereby incorporated by reference and any renewals provided under the Contract must meet the requirements of this statute. If the Contract Signature Page indicates renewals are available, the Contract may be renewed for the timeframe(s)

indicated in the Contract Signature Page.

#### **4. Deliverables.**

The Contractor agrees to render the services or other units of deliverables, which may be comprised of tasks or activities, as set forth in Attachment 2, Statement of Work. The services or other units of deliverables specified shall be delivered in accordance with the schedule and at the pricing outlined in Attachment 2, Statement of Work, and Attachment 3, Price Response.

#### **5. Performance Measures.**

The Contractor warrants that: (1) the services will be performed by qualified personnel; (2) the services will be of the kind and quality described in Attachment 2, Statement of Work; (3) the services will be performed in a professional and workmanlike manner in accordance with industry standards and practices; (4) the services will not and do not infringe upon the intellectual property rights, or any other proprietary rights, of any third party; and (5) any person or entity, whether an agent or independent contractor, that performs work on the Contract for the Contractor (Contractor Representative) will comply with any security requirements and processes as provided by the Department, or provided by the Participant, for work done at the Department or other locations. The Department reserves the right to investigate or inspect at any time whether the services or qualifications offered by the Contractor meet the Contract requirements; however, if such investigations or inspections require access to the Contractor's or Contractor's Representatives premises, the Department shall provide advance written notice and such investigations or inspections shall take place during Business Hours. Notwithstanding any provisions to the contrary, written acceptance of a particular deliverable/minimum requirement does not foreclose the Department's or Participants' remedies in the event those performance standards that cannot be readily measured at the time of delivery are not met.

#### **6. Acceptance of Deliverables.**

- a. Acceptance Process. All deliverables must be received and accepted in writing by the Department's or Participant's (whichever the services have been provided to) Contract Manager before payment, unless advanced payment or partial payment has been authorized in accordance with section 215.422, F.S. The Contract Manager will have fifteen (15) calendar days to inspect and approve the deliverables after receipt, which approval will not be unreasonably withheld, conditioned, or delayed.
- b. Rejection of Deliverables. The Department and Participants reserve the right to reject deliverables outlined in Attachment 2, Statement of Work, as incomplete, inadequate, or unacceptable due in whole or in part to the Contractor's lack of satisfactory performance under the terms of this Contract or the applicable Participation Agreement. If the Department's or Participant's Contract Manager does not accept a deliverable within fifteen (15) days, the Contractor will give notice to the Department's or Participant's Contract Manager, and the fifteen (15) day acceptance process will repeat. Failure to fulfill the appropriate technical requirements or complete all tasks, duties, or activities as identified in Attachment 2, Statement of Work, will result in rejection of the deliverable and the associated invoice. The Department or Participant, at its option, may allow additional time within which the Contractor may remedy the objections noted by the Department or Participant before it issues a notice of default. If the Department's or Participant's Contract Manager allows additional time for the Contractor to correct a rejected deliverable, the Contractor shall work diligently to correct all deficiencies in the deliverable that remain outstanding within a reasonable time or, if a time certain is specified, within the additional time allotted. All work done to correct a rejected deliverable will be done at the Contractor's expense.
- c. Status Reports. If status reports are required as part of the Contract, the Contractor shall timely submit status reports showing each task, activity, and deliverable worked on; attesting to the level of services provided; listing the hours spent on each task, activity, or deliverable; and listing any upcoming tasks, activities, or deliverables.
- d. Completion Criteria and Date. The Contract will be considered complete once all of the deliverables under the Contract have been provided and accepted. The final date for completion of the Contract shall not exceed the Contract duration, including any executed renewals or extensions, or, where applicable, the expiration date of any purchase orders made from the Contract.

#### **7. Financial Consequences for Nonperformance.**

Withholding Payment. In addition to the specific financial consequences explained in Attachment 2,

Statement of Work, the state of Florida (State) reserves the right to withhold payment when the Contractor has failed to perform or comply with the provisions of this Contract or any applicable Participation Agreement. These consequences for nonperformance shall not be considered penalties.

### **8. Dispute Resolution.**

The Contractor is obligated to address any cost-related issues with the Department for which the Contractor believes the State is liable and address all costs of every type to which the Contractor is entitled from the occurrence of the claimed event. The Contractor cannot seek a claim under this Contract for an increase in payment. Any claim, counterclaim, or dispute between the Department (on its own behalf or on the behalf of a Participant) and the Contractor relating to this Contract will be resolved as set forth herein.

a. Initial Resolution Process. For all claims, the party with the dispute shall submit an affidavit to the other party that is executed by that party's Contract Manager or his or her designee certifying that:

- i. The claim is made in good faith;
- ii. The claim accurately reflects the adjustments for performance; and
- iii. The supporting data provided with such an affidavit are current and complete to the Contract Manager's, or designee's, best knowledge and belief.

The party receiving notice of the dispute must respond to the disputing party, in writing, proposing a resolution to the dispute.

b. Informal Resolution Process. If the parties are unable to resolve any disputes through the initial resolution process, the parties shall meet with the Department's Chief Financial Officer (CFO), or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:

- i. The representatives of the Contractor and the Department shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- ii. During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to this Contract will be honored in order that each of the parties may be fully advised of the other's position.
- iii. The specific format for the discussions will be left to the discretion of the designated Department's and Contractor's representatives but may include the preparation of agreed upon statements of fact or written statements of position.
- iv. Following the completion of this process, the CFO, or designee, shall issue a written opinion regarding the issue(s) in dispute. The opinion regarding the dispute will be considered the Department's final action.

c. Continued Performance. Each party agrees to continue performing its obligations under this Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute with the Department over compensation will not be deemed to preclude performance) and without limiting either party's right to terminate this Contract for convenience or default.

### **9. Payment.**

a. Payment Process. Subject to the terms and conditions established in Attachment 2, Statement of Work, the pricing per deliverable established by Attachment 3, Price Response, or Attachment 2, Statement of Work, and the billing procedures established by the Department, the Participant agrees to pay the Contractor for services rendered in accordance with section 215.422, F.S. To obtain the applicable interest rate, please refer to: <http://www.myfloridacfo.com/Division/AA/Vendors/default.htm>.

b. Vendor Rights. A Vendor Ombudsman has been established within the Department. The duties of this individual include acting as an advocate for Contractors who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be reached at (850) 413-5516.

c. Taxes. The Department and Participant are exempted from payment of State sales and use taxes and Federal Excise Tax. The Contractor, however, will not be exempted from paying State sales and use taxes to the appropriate governmental agencies or for payment by the Contractor to suppliers for taxes on materials used to fulfill its contractual obligations with the Department. The Contractor shall not use

the Department's exemption number in securing such materials. The Contractor shall be responsible and liable for the payment of all its FICA/Social Security and other taxes resulting from this Contract. The Contractor shall provide the Department its taxpayer identification number upon request.

- d. Interim Payments. Interim payments may be made by the Department or Participant at its discretion under extenuating circumstances if the completion of services and other units of deliverables to date have first been accepted in writing by the respective party's Contract Manager.

#### **10. Insurance.**

- a. Required Coverage. At all times during the duration of the Contract, the Contractor, at its sole expense, and its subcontractors, if any, shall maintain insurance coverage as set forth below. The limits of coverage under each policy maintained by the Contractor will not be interpreted as limiting the Contractor's liability and obligations under the Contract and Participation Agreements. All insurance policies must either be through insurers authorized to write policies in the State or through a self-insurance program established and operating under the laws of the State. Unless specifically exempted in Attachment 2, Statement of Work, the following are the insurance requirements applicable to this Contract:

- i. Commercial General Liability Insurance.

By execution of this Contract, unless the Contractor is a state agency or subdivision as defined by section 768.28(2), F.S., the Contractor shall provide commercial general liability insurance coverage and hold such liability insurance at all times during the Contract in the amount of \$1 million per occurrence and \$2 million in the aggregate. The Department and Participants, and their employees and officers, must be named as an additional insured on any general liability policies.

- ii. Workers' Compensation and Employer's Liability Coverage.

The Contractor shall provide workers' compensation, in accordance with chapter 440, F.S., and employer's liability insurance in the amount of \$100,000 per accident, \$100,000 per person, and \$500,000 policy aggregate; however, if the requirements of chapter 440, F.S., or the Florida Insurance Code require coverage in excess of the stated amounts, then as necessary to meet those requirements. Such policies must cover all employees engaged in any Contract work.

- iii. Other Insurance.

At all times during the duration of the Contract, the Contractor shall maintain any other insurance as required in Attachment 2, Statement of Work.

- b. Deductibles. The Department and Participants shall be exempt from, and in no way liable for, any sums of money representing a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of the Contractor or subcontractor providing such insurance.
- c. Verification of Insurance. Upon execution of the Contract, and thereafter upon policy expiration and renewal, the Contractor shall provide to the Department written verification of the existence and amount for each type of applicable insurance coverage. Upon receipt of written request from the Department or a Local Government Participant, the Contractor shall furnish to the Department or Local Government Participant proof of the applicable insurance coverage by standard form certificates of insurance.
- d. Failure to Maintain Coverage. In the event that any applicable coverage is cancelled by the insurer, the Contractor shall immediately notify the Department and Local Government Participants of such cancellation and shall obtain adequate replacement coverage conforming to the requirements herein and provide proof of such replacement coverage within fifteen (15) business days after the cancellation of coverage.

#### **11. Termination.**

- a. Contractor Obligations upon Notice of Termination. After receipt of a notice of termination or partial termination, and except as otherwise directed by the Department or Participant issuing the notice, the Contractor shall stop performing services on the date, and to the extent specified, in the notice. The Department may issue a notice of termination or partial termination with respect to the entire Contract. A Participant may only issue a notice of termination or partial termination with respect to its own Participation Agreement. The Contractor shall accept no further work or new services related to the affected deliverables, and shall, as soon as practicable, but in no event longer than thirty (30) calendar days after termination, terminate any orders and subcontracts related to the terminated deliverables and

settle all outstanding liabilities and all claims arising out of such termination of orders and/or subcontracts, with the approval or ratification of the Department or Participant, as applicable, to the extent required, which approval or ratification shall be final for the purpose of this section. Within ninety (90) calendar days of termination, the Contractor shall submit a request for payment of completed services to the party to whom it provided the terminated services. Requests submitted later than ninety (90) calendar days after termination will not be honored and will be returned unpaid. All services for which the Department or Participant has paid prior to the termination date of this Contract shall be professionally serviced to conclusion in accordance with the requirements of the Contract. Should the Contractor fail to perform all services under the Contract, the Contractor shall be liable to the Department for any fees or expenses that the Department and Participants may incur in securing a substitute provider to assume completion of those services.

- b. Contractor Obligations after Termination. If at any time the Contract is canceled, terminated, or expires, and a contract is subsequently executed with a provider other than the Contractor, the Contractor has the affirmative obligation to assist in the smooth transition of Contract services to the subsequent contractor in accordance with Exit Transition requirements in Section 31, below, and Attachment 2, Statement of Work, if expressed therein.
- c. Termination for Convenience. The Department may, in its sole discretion, terminate the Contract in whole or in part at any time by giving thirty (30) days' written notice to the Contractor. The Contractor will not be entitled to recover any cancellation charges or lost profits.

#### **12. Notice of Default.**

If the Contractor defaults in the performance of any covenant or obligation contained in the Contract or a Participation Agreement, including, without limitation, any of the events of default listed below, the Contractor will receive notice and an opportunity to cure that is reasonable under the circumstances, but generally no less than ten (10) days. The Participant may provide such notice if the default is related to services provided to the Participant under its Participation Agreement. The Department may provide such notice for defaults related to individual Participation Agreements or to the Contract as a whole. The notice will state the nature of the failure to perform and provide a time certain for correcting the failure. The notice will also provide that the Department may terminate the Contract (or the Participant may terminate its Participation Agreement), effective as of the date of receipt of the default notice unless the Contractor cures the default within the specified cure period.

#### **13. Events of Default.**

Provided such failure is not the fault of the Department or a Participant, or outside the reasonable control of the Contractor, the following non-exclusive list of events, acts, or omissions, shall constitute events of default:

- a. The commitment of any material breach of this Contract or a Participation Agreement by the Contractor, including failure to timely deliver a deliverable, discontinuance of the performance of the work, failure to resume work that has been discontinued within a reasonable time after notice to do so, or abandonment of the Contract or a Participation Agreement;
- b. Failure to maintain adequate progress, thus endangering performance of the Contract or a Participation Agreement;
- c. Failure to honor any material term of the Contract or a Participation Agreement;
- d. Failure to abide by any applicable statutory, regulatory, or licensing requirement, including an entry of an order revoking the certificate of authority granted to the Contractor by the State or other licensing authority;
- e. Failure to pay any and all entities, individuals, and the like furnishing labor or materials, or failure to make payment to any other entities as required herein in connection with the Contract or a Participation Agreement;
- f. Employment of an unauthorized alien in the performance of the work, in violation of section 274A of the Immigration and Nationality Act, 8 U.S.C. section 1324a;
- g. One or more of the following circumstances, uncorrected for more than thirty (30) calendar days unless within the specified thirty (30) day period, the Contractor (including its receiver or trustee in bankruptcy) provides to the Department adequate assurances, reasonably acceptable to the Department, of its continuing ability and willingness to fulfill its obligations under the Contract and the Participation Agreement;

**Agreements:**

- i) Entry of an order for relief under Title 11 of the United States Code;
  - ii) To the extent permitted by State law, the making by the Contractor of a general assignment for the benefit of creditors;
  - iii) The appointment of a general receiver or trustee in bankruptcy of the Contractor's business or property; or
  - iv) An action by the Contractor under any state insolvency or similar law for the purpose of its bankruptcy, reorganization, or liquidation;
- h. The commitment of an intentional material misrepresentation or omission in any materials provided to the Department;
  - i. Failure to comply with the E-Verify requirements of this Contract; and
  - j. Failure to maintain the insurance required by this Contract.

**14. Indemnification.**

The following provision supplements Section 19, Indemnification, of Attachment 4, PUR 1000:

No provision in this Contract shall be construed to: 1) require the Department or a Participant to hold harmless or indemnify the Contractor; 2) require the Department or a Participant to insure or assume liability for the Contractor's negligence or the negligence of Contractor Representatives; 3) waive the Department's or a Participant's sovereign immunity under the laws of the State; or 4) otherwise impose liability on the Department or a Participant for which it would not otherwise be responsible. Any provision, implication, or suggestion to the contrary is null and void.

**15. Limitation of Liability.**

- a. In no event shall the Contractor, the Department, or Participants be liable for any consequential, indirect, special, incidental, or punitive damages arising out of or related to this Contract.
- b. Other than the liability associated with reimbursement of fees and fines described in Section 12.3. Fees and Fines, of Attachment 2, Statement of Work, each Participant's liability for any claim arising from its Participation Agreement is limited to compensatory damages no greater than \$100,000.00 or 10% of the average annual amount paid to the Contractor pursuant to its Participation Agreement, whichever is less. In the event that a Participant is liable for a claim within the first year of this Contract, the average annual amount will be determined by averaging the monthly amount paid to the Contractor under the Participation Agreement and multiplying it by twelve (12). For the avoidance of doubt, nothing in this section is intended to relieve Participants from their obligation to compensate the Contractor for goods or services received pursuant to this Contract.
- c. **Contractor's Limits.**
  - i. The Contractor's liability for fulfilling the Statutory Requirements described in Attachment 2, Statement of Work, is not limited by this Section 15.c.
  - ii. Notwithstanding anything to the contrary, the Contractor's cumulative liability, in the aggregate, for all losses, claims, suits, controversies, breaches, or damages arising from this Contract shall in no event exceed:
    - a. \$10,000,000.00 during the initial period of the Contract and a separate \$10,000,000.00 during the totality of the five (5) years available for renewal (the "General Cap"). However, if this General Cap is reached and the Contractor is liable for any loss, claim, suit, controversy, breach, or damage which is covered under any insurance policy maintained by the Contractor in accordance with this Contract, and which has not been used to the amount described in Attachment 2, Statement of Work, Sections 14.2.a. and b. to cover the General Cap, then the Contractor shall be liable up to the amount of such policies described in Attachment 2, Statement of Work, Sections 14.2.a. and b., that is recoverable from its insurers; plus
    - b. separate and in addition to the General Cap described in Section 15.c.ii.a., above, the Contractor shall be liable for fulfilling the Credit Monitoring Requirements described in Attachment 2, Statement of Work, up to \$10,000,000.00 (the "Credit Monitoring Cap"). However, if such Credit Monitoring Requirements would exceed this Credit Monitoring Cap, the Department may elect, in its sole discretion, to utilize any amount available under the General Cap to fulfill the Credit Monitoring

## Requirements.

**16. Remedies.**

Nothing in this Contract shall be construed to make the Contractor liable for force majeure events. Nothing in this Contract, including financial consequences for nonperformance, will limit the Department's or a Participant's right to pursue its remedies for other types of damages under the Contract, at law, or in equity. The Department or a Participant may, in addition to other remedies available at law or equity, and upon notice to the Contractor, retain such monies from amounts due to the Contractor as may be necessary to satisfy any claim for damages, penalties, costs, and the like asserted by or against it. The Department or an Agency Participant may set off any liability or other obligation of the Contractor or its affiliates to the Department or an Agency Participant against any payments due the Contractor under any contract with the State.

**17. Waiver.**

The delay or failure by the Department or a Participant to exercise or enforce any of its rights under this Contract will not constitute or be deemed a waiver of the Department's or Participant's right thereafter to enforce those rights, nor will any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

**18. Record Retention.**

Unless previously provided (whether in physical form or electronic form, or by way of access or ability to print or extract) to the Department (or, in the case of records relevant to a single Participant, to that Participant), the Contractor shall retain records demonstrating its compliance with the terms of the Contract five (5) years after the expiration of the Contract and all pending matters, or the period required by the General Records Schedules maintained by the Florida Department of State (available at: <http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>), whichever is longer. If the Contractor is required to comply with section 119.0701, F.S., then compliance with the retention of records in accordance with section 119.0701(2)(b)4., F.S., will fulfill the above stated requirement. If the Contractor's record retention requirements terminate prior to the requirements stated herein, the Contractor may meet the record retention requirements for this Contract by transferring its records to the Department (or, in the case of records relevant to a single Participant, to that Participant) at that time, and by destroying duplicate records in accordance with section 501.171(8), F.S., and, if applicable, section 119.0701, F.S. The Contractor shall adhere to established information destruction standards such as those established by the National Institute of Standards and Technology Special Publication 800-88, "Guidelines for Media Sanitization" (2014). See <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-88r1.pdf>.

**19. Intellectual Property.**

- a. In accordance with State law, the Contractor shall not assert any rights to: 1) intellectual property created or otherwise developed specifically for the Department or a Participant under this Contract or any prior agreement between the parties (which includes any deliverables); 2) intellectual property furnished by the Department or a Participant; and 3) any data collected or created for the Department or a Participant. The Contractor shall perfect the transfer of any such property or data to the Department or applicable Participant(s) upon completion, termination, or cancellation of the Contract and prior to payment of the final invoice. Any data provided must be in a format designated by the Department or Participant receiving the data.
- b. If the Department, Participant, or State has authority to assert a right in any of the property or data, the Contractor shall assist, if necessary, in the assertion of such right.
- c. Proceeds derived from the sale, licensing, marketing, or other authorization related to any such Department-, Participant-, or State-controlled intellectual property rights shall belong to the Department, Participant, or State, unless otherwise specified by applicable State law.
- d. Notwithstanding the foregoing, and unless otherwise specified in Attachment 2, Statement of Work, the Contractor's intellectual property rights that preexist this Contract will remain with the Contractor.
- e. Notwithstanding anything to the contrary, the Contractor (a) will provide access to the Core Platform, Optional Services, and Value-Added Services as a software-as-a-service (SaaS) solution during the term of this Contract, and (b) retains all ownership rights to the Core Platform, Optional Services, and Value-Added Services, as enhanced and modified throughout the term of this Contract.



## **20. Ownership of Property.**

Title to all property furnished by the Department or a Participant under this Contract and deliverables provided to the Department or a Participant shall remain property of the Department or Participant and/or become property of the Department or Participant upon receipt and acceptance. The Contractor shall perfect any transfer of the property to the Department or Participant upon completion, termination, or cancellation of the Contract prior to payment of the final invoice.

## **21. Nonexclusive Contract.**

This Contract is not an exclusive license to provide the services described in the solicitation or the resulting Contract. The Department or a Participant may, without limitation and without recourse by the Contractor, contract with other vendors to provide the same or similar services.

## **22. Statutory Notices.**

The employment by any contractor of unauthorized aliens is considered a violation of section 274A(e) of the Immigration and Nationality Act. Pursuant to sections 287.133 and 287.134, F.S., the following restrictions are placed on the ability of persons or entities placed on the convicted vendor list or the discriminatory vendor list:

- a. Public Entity Crime. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in section 287.017, F.S., for CATEGORY TWO for a period of thirty-six (36) months following the date of being placed on the convicted vendor list.
- b. Discriminatory Vendors. An entity or affiliate that has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

The Contractor shall notify the Department if it or any of its suppliers, subcontractors, or consultants have been placed on the convicted vendor list or the discriminatory vendor list during the life of the Contract.

## **23. Compliance with Federal, State, and Local Laws.**

- a. Regulations. The Contractor and all Contractor Representatives shall comply with all federal, state, and local regulations, including, but not limited to, nondiscrimination, wages, social security, workers' compensation, licenses, and registration requirements.
- b. Choice of Law. This Contract, and any Participation Agreements executed hereunder, will be governed by and construed in accordance with the laws of the State, without regard for any choice of law statutes.
- c. Rehabilitation Act. If applicable, the Contractor shall ensure that, as to its products and services it develops for the Department or a Participant, electronic and information technology accessibility requirements of the Rehabilitation Act Amendments, 29 U.S.C. section 794 are met. Section 508 of the Rehabilitation Act Amendments, 29 U.S.C. section 794, compliance information on the supplies and services in this Contract (or any Participation Agreement executed hereunder) are available on a website indicated by the Contractor. The Electronic and Information Technology standard can be found at: <http://www.section508.gov/>.
- d. Scrutinized Companies.

The following paragraph applies regardless of the dollar value of the goods or services provided:

By entering into this Contract (or a Participation Agreement), in accordance with the requirements of section 287.135(5), F.S., the Contractor certifies that it is not participating in a boycott of Israel. At the Department's option (or in the case of a Participation Agreement, the Participant's option), the Contract (or Participation Agreement) may be terminated if the Contractor is placed on the Quarterly List of Scrutinized Companies that Boycott Israel (referred to in statute as the

“Scrutinized Companies that Boycott Israel List”) or becomes engaged in a boycott of Israel. The State Board of Administration maintains the “Quarterly List of Scrutinized Companies that Boycott Israel” at the following link:  
<https://www.sbafla.com/fsb/FundsWeManage/FRSPensionPlan/GlobalGovernanceMandates.aspx>.

The following paragraph applies only when the goods or services to be provided are \$1 million or more: By entering into this Contract (or a Participation Agreement), in accordance with the requirements of section 287.135, F.S., the Contractor certifies that it is not on the Scrutinized List of Prohibited Companies (referred to in statute as the “Scrutinized Companies with Activities in Sudan List” and the “Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List”) and, to the extent that it is not preempted by Federal law, that it has not been engaged in business operations in Cuba or Syria. At the Department’s option (or in the case of a Participation Agreement, the Participant’s option), the Contract (or Participation Agreement) may be terminated if such certification (or the certification regarding a boycott of Israel) is false, if the Contractor is placed on the Scrutinized List of Prohibited Companies, or, to the extent not preempted by Federal law, if the Contractor engages in business operations in Cuba or Syria.

The State Board of Administration maintains the “Scrutinized List of Prohibited Companies” under the quarterly reports section at the following link: <https://www.sbafla.com/fsb/PerformanceReports.aspx>.

#### **24. Employment Eligibility Verification.**

The Contractor is responsible for payment of costs, if any, and retention of records relating to employment eligibility verification. These records are exempt from Chapter 119, F.S. Verification requires the following:

- a. In cooperation with the Governor’s Executive Order 11-116, the Contractor must participate in the federal E-Verify System for employment eligibility verification under the terms provided in the “Memorandum of Understanding” with the federal Department of Homeland Security if any new employees are hired to work on this Contract or a Participation Agreement during the term of the Contract. The Contractor agrees to provide to the Department, within thirty (30) days of hiring the new employees, documentation of such enrollment in the form of a copy of the E-Verify “Edit Company Profile” screen, which contains proof of enrollment in the E-Verify System. Information on “E-Verify” is available at the following website: <http://www.dhsuscis.gov/e-verify>.
- b. The Contractor further agrees that it will require each subcontractor that performs work under this Contract or a Participation Agreement to enroll and participate in the E-Verify System if the subcontractor hires new employees during the term of this Contract. The Contractor shall include this provision in any subcontract and obtain from the subcontractor(s) a copy of the “Edit Company Profile” screen indicating enrollment in the E-Verify System and make such record(s) available to the Department upon request.

#### **25. Data.**

All data centers used to process and store State data under this Contract or a Participation Agreement shall only be located in the United States.

#### **26. Claims for Damages.**

Jurisdiction for any damages arising under the terms of the Contract or an Agency Participation Agreement will be in the courts of the State, and venue will be in the Second Judicial Circuit in and for Leon County. Jurisdiction for any damages arising under the terms of a Local Government Participation Agreement will be in the courts of the State, and venue will be in the circuit in which the Local Government Participant is located. The parties waive their right to a jury trial. Except as otherwise provided by law, the parties agree to be responsible for their own attorney’s fees incurred in connection with disputes arising under the terms of this Contract and any Participation Agreements.

#### **27. Independent Contractor.**

The Contractor is an independent contractor and is not an employee or agent of the Department or any Participant.

#### **28. Subcontracting.**

- a. Consent. Unless otherwise specified in Attachment 2, Statement of Work, all services contracted for are to be performed solely by the Contractor and may not be subcontracted or assigned without the prior written consent of the Department.

- b. Replacement. The Department may, for cause, require the replacement of any Contractor Representative. For cause, includes, but is not limited to, technical or training qualifications, quality of work, change in security status, or non-compliance with an applicable Department policy or other requirement.
- c. Access. The Department may, for cause, deny access to the Department's secure information or any facility by any Contractor Representative. A Participant may, for cause, deny access to the Participant's secure information or any facility by any Contractor Representative.
- d. Continuing Obligation. The Department's or Participant's actions under paragraphs b. or c. shall not relieve the Contractor of its obligation to perform all work in compliance with the Contract and all Participation Agreements.
- e. Meetings. The Department and Participants will not deny Contractor Representatives access to meetings within the Department's or Participant's facilities, unless the basis of the Department's or Participant's denial is safety or security considerations.

**29. Guarantee of Parent Corporation.** [Intentionally omitted.]

**30. Survival.**

The respective obligations of the parties, which by their nature would continue beyond the termination, cancellation, or expiration of this Contract, including without limitation, the obligations regarding confidentiality, proprietary interests, and public records, will survive termination, cancellation, or expiration of this Contract.

**31. Exit Transition Services.**

- a. The Contractor has the affirmative obligation to provide to the Department, or its designee, all reasonable services necessary for the transfer of knowledge regarding the services and deliverables provided under the Contract and Participation Agreements (Exit Transition Services) to facilitate the orderly transfer of such services to the Department or its designee, along with an exit transition plan. Such services may continue for up to six (6) months after termination, expiration, or cancellation of the Contract, at no cost to the Department or Participants.
- b. If necessary, the Contractor also commits to extend this Contract for up to six (6) months past what would otherwise be the termination, expiration, or cancellation of the Contract in order to provide the services to Participants until the transition of the services to the Department or its designee are complete. The Department will exercise this option by giving the Contractor written notice to that effect and will use reasonable efforts to provide such notice at least twenty (20) business days before the impending termination, expiration, or cancellation date. For the avoidance of doubt, if such extension occurs, the services described in subsection a., above, may continue for up to six (6) months after the end of the extension period.
- c. For a period of twelve (12) months after cancellation, termination, or expiration of the Contract, the Contractor shall provide Participants access to their data in a format that is reasonably acceptable and accessible by the Participants.

**32. Third Parties.**

Neither the Department nor Participants shall be deemed to assume any liability for the acts, omissions to act, or negligence of the Contractor or Contractor Representatives, nor shall the Contractor disclaim its own negligence to the Department, a Participant, or any third party. This Contract and the Participation Agreements executed hereunder do not and are not intended to confer any rights or remedies upon any person other than the parties (which include the Department, Participants, and Contractor). If the Department consents to a subcontract, the Contractor will specifically disclose that the Contract and Participation Agreements do not create any third-party rights. Further, no third parties shall rely upon any of the rights and obligations created under this Contract and the Participation Agreements.

**33. Employment of State Employees.**

During the term of this Contract, the Contractor shall not knowingly employ or subcontract with any person (including any nongovernmental entity in which such person has any employment or other material interest as defined in section 112.312(15), F.S.), in connection with this Contract, who has participated in the performance of this Contract or the Participation Agreements, or procurement of the Contract, except as provided in section 112.3185, F.S.

**34. Audits.**

The Contractor understands its duty, pursuant to section 20.055(5), F.S., to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. The Contractor will comply with this duty and ensure that subcontracts issued under this Contract, if any, impose this requirement, in writing, on its subcontractors.

**35. Travel Reimbursement.**

Any travel expenses allowable under this Contract must be submitted in accordance with section 112.061, F.S.

**36. Use of State Funds to Purchase or Improve Real Property.**

Any State funds provided for the purchase of, or improvements to real property, are contingent upon the Contractor or political subdivision granting to the State a security interest in the property at least in the amount of State funds provided, for at least five (5) years from the date of purchase or the completion of the improvements, or as further required by law.

**37. Assignment.**

Unless otherwise required by law, the Contractor shall not sell, assign, or transfer any of its rights, duties, or obligations under the Contract, or under any Participation Agreement executed hereunder, without the prior written consent of the Department. In the event of any assignment, the Contractor remains secondarily liable for performance unless the Department expressly waives such secondary liability. The Department may assign the Contract (and a Participant may assign a Participation Agreement) with prior written notice to the Contractor of its intent to do so.

**38. Lobbying.**

The following replaces the first sentence of Section 18, Lobbying and Integrity, of Attachment 4, PUR 1000:

The Contractor agrees that funds received by it under this Contract, or a Participation Agreement executed hereunder, will not be expended for the purpose of lobbying the Legislature, the judicial branch, or a State agency in violation of sections 11.062 or 216.347, F.S. Pursuant to the requirements of section 287.058(6), F.S., during the Contract term, the Contractor may lobby the executive or legislative branch concerning the scope of services, performance, term, or compensation regarding the Contract and Participation Agreements.

**39. Contractor Representatives.**

All Contractor Representatives shall be properly trained technicians who meet or exceed any specified training qualifications. Upon request, the Contractor shall furnish a copy of technical certification or other proof of qualification. All Contractor Representatives must comply with all security and administrative requirements of the Department and Participants, and with all controlling laws and regulations relevant to the services they are providing under the Contract and Participation Agreements. The State may conduct, and the Contractor shall cooperate in, a security background check or other assessment of any Contractor Representative. The Department or a Participant may refuse access to, or require replacement of, any Contractor Representative for cause, including, but not limited to, lack of technical or training qualifications, quality of work, change in security status, or noncompliance with the Department's or Participant's security or administrative requirements. Such approval shall not relieve the Contractor of its obligation to perform all work in compliance with the Contract and Participation Agreements. The Department may reject and bar from any facility, for cause, any Contractor Representatives.

**40. Notices.**

Where the terms "written notice" or notice "in writing" are used in the Master Contract to specify a notice requirement, said notice shall be deemed to have been given:

- a. when personally delivered;
- b. when transmitted via facsimile with confirmation of receipt or email with confirmation of receipt if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid);
- c. the day following the day (except if not a business day, then the next business day) on which the same has been delivered prepaid to a recognized overnight delivery service; or
- d. on the date actually received or the date of the certification of receipt.

## DEPARTMENT OF FINANCIAL SERVICES

### Statement of Work

### ATTACHMENT 2

#### 1. Scope of Work.

The Contractor shall provide electronic payment (e-Payment) services to State agencies and the State's judicial branch and units of local government to allow them to accept Payment Cards, and electronic funds transfers (i.e., eChecks), as authorized by section 215.322, Florida Statutes (F.S.).

#### 2. Definitions.

In this Contract, the following terms are defined as set forth below:

- 2.1. **Automated Clearing House (ACH)** – The computer-based clearing and settlement facility for interchange of electronic debits and credits among financial institutions.
- 2.2. **Banking Business Days** – Monday through Friday, inclusive, except for days the Federal Reserve Bank is closed.
- 2.3. **Business Days** – Monday through Friday, inclusive, except for holidays observed by the State pursuant to section 110.117, F.S.
- 2.4. **Business Hours** – 8:00 AM to 5:00 PM Eastern Time (ET) on Business Days.
- 2.5. **Calendar Days** – All days, including weekends and holidays.
- 2.6. **Card Verification Value (CVV)** – A three- or four-digit code printed on a Payment Card as a security feature designed to help prevent fraudulent purchases.
- 2.7. **Confidential Information** – Any documents, data, or records that are exempt or confidential and exempt from disclosure pursuant to chapter 119, F.S., the Florida Constitution, or any other authority (e.g., other Florida laws or pre-empting Federal law).
- 2.8. **Contactless** – A secure payment method for Customers to purchase goods or services by using Radio-Frequency Identification (RFID) or Near-Field Communication (NFC) technology (also known as “tap-and-go”).
- 2.9. **Core Platform** – The group of software, equipment, networking connections, algorithms, and data provided by the Contractor that supports the e-Payment Processing Options.

- 2.10. **Customer** – A person or entity that uses a Payment Channel to make a payment to a Participant.
- 2.11. **eCheck** – An e-Payment by which funds are withdrawn by the payee from a bank account authorized by the payer.
- 2.12. **e-Payment** – A payment made over the internet (including at a POS) or telephone using a Payment Card or eCheck.
- 2.13. **e-Payment Processing Options** – Processing options providing for the collection and transmission of e-Payments over the internet or telephone. Processing options include batch file transfer, POS, IVR, Gateway – Non-Hosted, Gateway – Partially Hosted, and Gateway – Fully Hosted.
- 2.14. **Effective Date** – The date the Contract Signature Page for the Contract is last signed.
- 2.15. **Europay, MasterCard, and Visa (EMV)** – A payment method that uses technology to authenticate chip-card transactions for cards equipped with a computer chip.
- 2.16. **Florida Planning, Accounting, and Ledger Management (Florida PALM)** – A multiyear, multiphase project to replace the State’s accounting and cash management systems with an integrated, enterprise financial management solution.
- 2.17. **Gateway – Fully Hosted** – An e-Payment Processing Option that is fully developed for a Participant and hosted by the Contractor and that redirects the Customer via a URL from the Participant's internet site to the Contractor’s internet site, where Customer and payment information are collected, processed, and stored.
- 2.18. **Gateway – Non-Hosted** – An e-Payment Processing Option where all Customer and payment information is collected and stored on a Participant's internet site or Mobile Application (which site or application may be designed and hosted by the Participant or by a third-party contractor) before payment details are transmitted via an application programming interface (API) to the Contractor for payment processing, authorization, and settlement.
- 2.19. **Gateway – Partially Hosted** – An e-Payment Processing Option where Customer information is collected on a Participant’s internet site or Mobile Application (which site or application may be designed and hosted by the Participant or by a third-party contractor) before the Customer is passed to the Contractor's internet site for payment check-out. All payment information is collected and stored on the Contractor's site, with payment details remitted back to the Participant's business system.

- 2.20. Go-Live Date** – The date that a Participant begins using the e-Payment Processing Option(s), as specified in its Implementation Plan.
- 2.21. Implementation Plan** –The plan used to structure implementation of the e-Payment Processing Options for each Participant. The plan includes a detailed list of activities, costs, challenges, resources, and schedules, which provides a structure for managing the Project.
- 2.22. Interactive Voice Response (IVR)** – A payment system through which Customers utilize a toll-free number created by the Contractor to submit payments over an automated phone service. The Participant sends a file containing Customer information to the Contractor to allow the Contractor to authenticate the caller.
- 2.23. Merchant ID** – A unique number assigned to a merchant account to identify it throughout the course of processing activities.
- 2.24. Mobile Application** – An application software designed to collect payments on a mobile device.
- 2.25. National Automated Clearinghouse Association (NACHA)** – A non-profit membership association charged with overseeing the ACH system.
- 2.26. Negative Database** – A database that contains account information used to verify the ABA routing number, account status, and history of the account holder for a payment.
- 2.27. Non-Sufficient Funds (NSF)** – The status of a checking account that does not have enough money to cover transactions.
- 2.28. Optional Services** – Services outside the Core Platform that allow for direct acceptance of e-Payments and enhance e-Payment processing, which are available at no charge upon a Participant’s request.
- 2.29. Participant** – An Agency Participant or Local Government Participant.
- a. Agency Participant** – The judicial branch or any official, officer, commission, board, authority, council, committee, or department of the executive branch of State government that enters into a Participation Agreement. This also includes, but is not limited to, State attorneys, public defenders, capital collateral regional counsel, the Justice Administrative Commission, the Florida Housing Finance Corporation, and the Florida Public Service Commission.

**b. Local Government Participant** – A municipality, special district, board of county commissioners, or other governing body of a county however styled, including that of a consolidated or metropolitan government, that enters into a Participation Agreement. This also includes any clerk of the circuit court, sheriff, property appraiser, tax collector, and supervisor of elections.

- 2.30. Participant-Level** – The unit or section within a Participant that has a unique business need regarding the acceptance of e-Payments and segregation of data.
- 2.31. Participation Agreement** – The agreement between the Participant and Contractor that makes the Participant a party to this Contract.
- 2.32. Payment Card** – A credit card (a card issued to Customers by a bank or business authorizing the holder to buy goods or services on credit), charge card (a card issued to Customers by a store, bank, or other organization, used to charge purchases to an account which must be paid in full at the end of every month), or debit card (a card used in lieu of cash that authorizes the holder to buy goods and services, but which is not a credit card or charge card) that is accepted by Participants as payment for goods or services.
- 2.33. Payment Card Industry (PCI)** – All the organizations involved in storing, processing, and transmitting Payment Card data.
- 2.34. Payment Card Organization Rules** – Payment Card policies and rules requiring Participant, Contractor, and Service Provider compliance.
- 2.35. Payment Channel** – A method for a Customer to make payments to a Participant, including IVR, POS, Web Applications, and Mobile Applications.
- 2.36. PCI Attestation of Compliance (PCI AOC)** – A form for merchants, the Contractor, and Service Providers to attest to the results of a PCI Data Security Standard assessment.
- 2.37. PCI Data Security Standard (PCI DSS)** – The security standards set by the PCI Security Standards Council to prevent Payment Card fraud. The PCI Security Standards Council is a global forum for the ongoing development, enhancement, storage, dissemination, and implementation of security standards for account data protection.
- 2.38. Point of Sale (POS)** – An electronic device used to process Payment Cards and eChecks.
- 2.39. Processing Day** – The day the Contractor processes an authorized Payment Card transaction between a Participant and a Customer. The Contractor’s Processing Days are 365 Calendar Days a year.



- 2.40. **Project** – The activities required to transition all Participants from the payment platforms and systems provided under the previous e-Payments services contract (Contract No. TR175) to the Core Platform.
- 2.41. **Project Management Plan** – The formal document used to describe the transition and implementation of the Project as it relates to Agency Participants, which includes Project information (including a detailed approach to the Project), guiding principles, logs and tracking (including an approach to risk management), and a communications plan.
- 2.42. **Project Management Professional (PMP)** – An internationally-recognized professional designation offered by the Project Management Institute.
- 2.43. **Remittance File** – An end-of-Processing Day file that contains details for all transaction types received via all Payment Channels during the Processing Day.
- 2.44. **Representational State Transfer (REST)** – An architectural style that defines a set of constraints to be used for creating web services.
- 2.45. **Service Provider** – A person or company other than the Contractor which performs a portion of the services provided under this Contract. These parties are unlike Subcontractors only in that they offer standard products and contracts and will not sign contracts expressly identifying Subcontractor flow-downs.
- 2.46. **Simple Object Access Protocol (SOAP)** – A messaging protocol specification for exchanging structured information in the implementation of web services in computer networks.
- 2.47. **Sponsoring Bank** – The bank agreed upon by the Department and the Contractor to facilitate the settlement of Payment Card transactions into Participants’ Depository Accounts.
- 2.48. **State** – The state of Florida.
- 2.49. **Subcontractor** – A person or company other than the Contractor which performs a portion of the services provided under this Contract.
- 2.50. **Value-Added Services** – Enhancements to a Participant’s e-Payment processing services or to its Optional Services that are available at the Participant’s request, in accordance with Attachment 3, Price Response. These services are described in Exhibit 1 to this Attachment

## 2, Statement of Work.

**2.51. Web Application** – A client-server computer program that collects payments in a web browser.

### 3. How this Contract Works.

**3.1.** Services provided under this Contract are provided to Participants that enter into a Participation Agreement with the Contractor. Agency Participants will use Attachment 5, Agency Participation Agreement. Local Government Participants will use Attachment 6, Local Government Participation Agreement. The Department acts in a Contract management role for Agency Participants. Local Government Participants may use the Contract, but the Department does not manage the implementation or use of the Contract for Local Government Participants. The Department does not pay any charges under this Contract other than those for custom reports and those incurred in its capacity as a Participant (as stated in Sections 7.1 and 12) and is only involved in participation approval and implementation activities regarding Agency Participants. A Participant may have multiple Participant-Levels, each of which may individually use any or all the e-Payment Options offered under this Contract and may require individual implementation services by the Contractor to effectuate use of such services.

**3.2.** The Contractor may use Department-approved Service Providers and Subcontractors to fulfill its responsibilities under this Contract; however, nothing in this section is intended to relieve the Contractor of its responsibilities under this Contract regardless of whether such responsibilities are being carried out by a Service Provider or Subcontractor. For the avoidance of doubt, the notification timeframes provided in Sections 3.2.a. and b., below, only apply in the event the proposed Subcontractor or Service Provider does not impact the Core Platform in a way that will require the Department or a Participant to make substantial programming or processing changes to its systems. (Changes to the Core Platform that require the Department or a Participant to make substantial programming or processing changes to its systems are addressed in Section 4.1., below.)

**a. Subcontractors.** The Contractor will initially use OneSupport (formerly teleNetwork) as a Subcontractor for customer support and satisfaction or IVR support and Verint as a Subcontractor for IVR support. If the Contractor elects to use different Subcontractors for either of these services after the first Go-Live Date for services for which such Subcontractors will be utilized, the Contractor shall provide notice in writing to the Department no later than three (3) months prior to such change. The use of any proposed Subcontractors must be approved by the Department, and such approval will not be unreasonably withheld. Such change will not require a formal written amendment to the Contract or a Participation Agreement.

**b. Service Providers.** The Contractor will initially use First Data Merchant Services LLC (First Data), Wells Fargo Bank, N.A. (Wells Fargo), Secure Payment Systems

Inc. (SPS), and Microsoft Corporation as Service Providers. The Contractor will provide the Department and Participants the ability to review reports provided to the Contractor as part of Service Provider's standard product offerings, including access to Service Organization Controls (SOC) 1 and SOC 2 reports, as available and subject to Service Provider confidentiality restrictions. In addition, any Service Provider utilized in the provision of the Core Platform is subject to an evaluation in the Contractor's SOC Report. If the Contractor elects to use a new Service Provider, the Contractor shall provide notice in writing to the Department no later than six (6) months prior to such change. The use of any proposed Service Providers must be approved by the Department, and such approval will not be unreasonably withheld. Such change will not require a formal written amendment to the Contract or a Participation Agreement.

- 3.3. Sub-Merchant Processing Agreement.** The Department, on behalf of all Agency Participants, shall execute the Agency Participant Sub-Merchant Processing Agreement included in Addendum C, Selected Portions of the BAFO, with 1) the Contractor, 2) the Contractor's processor (which will initially be First Data), and 3) the Sponsoring Bank (which will initially be Wells Fargo). Each Local Government Participant shall execute the Local Government Participant Sub-Merchant Processing Agreement in substantially the same form included in Addendum C, Selected Portions of the BAFO, with the parties identified above. The Contractor shall be responsible for ensuring that its Service Providers meet their obligations under the Sub-Merchant Processing Agreement. If a Service Provider terminates the Sub-Merchant Processing Agreement for any reason, the Contractor shall propose a replacement Service Provider to the Department and/or to the Local Government Participant, as appropriate, within ten (10) Business Days of notification of the termination. Using the Agency Participant Sub-Merchant Processing Agreement (for the Department) or the Local Government Participant Sub-Merchant Processing Agreement (for a Local Government Participant) as a starting point, the Contractor shall work with the Department or Local Government Participant to negotiate agreeable terms for a new Sub-Merchant Processing Agreement with its proposed new Service Provider(s) as soon as practicable.

#### **4. Core Platform.**

- 4.1.** The Contractor shall provide a Core Platform that is available twenty-four (24) hours per day, seven (7) days a week, is scalable to the Participants' needs, and supports all e-Payment Processing Options. The Contractor shall ensure that all e-Payment Processing Options are available as of the Effective Date and shall maintain all e-Payment Processing Options during the term of the Contract. The Contractor shall notify the Department in writing twenty-six (26) months in advance of any modifications or replacements to the Core Platform required by the Contractor that will require the Department or a Participant to make substantial programming or processing changes to its systems. This is subject to the Department's approval prior to implementation, must be effectuated by a written

amendment if the modification or replacement impacts language in the Contract (e.g., if a new Subcontractor is being used, and the Subcontractor's service terms must be attached to the Contract), and must be provided at no additional charge to the Department or the Participants. If the Core Platform is modified or replaced, the Contractor shall provide Participants a minimum of twenty-four (24) months, upon amendment execution, to migrate to the new Core Platform (or make the necessary changes to accommodate the modification). Notwithstanding the foregoing, the Department reserves the right to amend this Contract to include optional next-generation support, services, and equipment that are within the scope of the Contract at an agreed upon price. The Department will neither request nor require any changes that would exceed the scope of this Contract. Additionally, the Contractor must agree prior to any enhancements being made to the Core Platform or Optional Services.

- 4.2. The Contractor acknowledges that its failure to provide the Department and Participants with the twenty-four (24) months required to migrate or make changes will damage the Department and Participants but that such damages cannot be ascertained now or in the future. Therefore, the Contractor shall pay liquidated damages in the amount of \$5,000.00 per Calendar Day that the timeframe is shortened for each Participant required to migrate, which is a reasonable estimate of the amount necessary to compensate the Department and Participants for the shortened migration timeframe. These liquidated damages are not intended as a penalty. These liquidated damages are limited only to the failure to provide the twenty-four (24) months required to migrate and in no way limit other damages.
- 4.3. Notwithstanding the forgoing, if the modification or replacement is necessitated by regulatory or compliance standards introduced by the Payment Card Organization Rules, NACHA, applicable law, the PCI Security Standards Council, or other security standards set by the industry, the Contractor shall only be required to provide written notice to the Department and Participants as soon as it receives notification, but no later than ten (10) Business Days after receiving notice of the change necessitating the modification or replacement including anticipated impact to Participants.

5. **Implementation and Project Management.** The following sections outline the Contractor's responsibility regarding both the initial transition and implementation (Project) and additional/ongoing implementations and transitions that occur after the Project. If a Core Platform change occurs, the requirements in Section 5.1 will apply to the transition of Participants from the previous Core Platform to the new Core Platform and the Contractor shall provide the Department with a new Project Management Plan for the transition of all affected Agency Participants within sixty (60) Calendar Days of notification of the Core Platform change. The Department, in its sole discretion, may provide the Contractor with additional time for fulfilling any of the requirements in this Section 5 as it deems necessary to facilitate the timely transition and implementation of all Agency Participants, and any such extension will be communicated to

the Contractor in writing. The services provided pursuant to Section 5.1 are at no charge to the Department or Participants.

**5.1. Initial Participant Transition (i.e., the Project).** The Contractor shall provide services and support to ensure completion of the Project, with minimal impact to the Participants' business systems, within fourteen (14) months the Effective Date, for all Agency Participants and for all Local Government Participants that notify the Contractor of their desire to transition within sixty (60) Calendar Days of the Effective Date. The transition of Agency Participants will occur in accordance with the Project Management Plan included in Addendum C, Selected Portions of the BAFO (or, for transitions related to a Core Platform change, in accordance with the Project Management Plan submitted to the Department), and in accordance with each Agency Participant's Implementation Plan. Changes to the Project Management Plan will not require a formal written amendment to the Contract but must be approved by the Department in writing. The transition of Local Government Participants will occur in accordance with the Implementation Plan submitted to the Local Government Participant, which for the Project must be submitted to the Local Government Participant within thirty (30) Calendar Days of the execution of the Local Government Participant's Participation Agreement.

**a. Project Management.** The Contractor shall provide at least one (1) PMP-certified Project Manager to lead a technical support team (collectively referred to as the "Contractor's Project Transition Team") that will have overall responsibility for the successful transition of all Agency Participants to the Core Platform. The Department will provide its own Project Transition Team to monitor the Contractor's execution of the Project for Agency Participants, and the Contractor's Project Manager must maintain regular communication with the Department and the Agency Participants. The Contractor shall also provide a Project Transition Team responsible for transitioning Local Government Participants to the Core Platform by utilizing a combination of the Contractor's Project Transition Team and specialized personnel. The Contractor shall be sufficiently staffed to complete the Project and shall add personnel as needed to meet the deadlines specified in each Implementation Plan.

The Contractor shall manage the Project in accordance with the Project Management Plan and Implementation Plans and shall actively manage any Subcontractor's or Service Provider's performance related to the Project. The Contractor's project management approach must comply with the standards set forth in the Project Management Institute's Project Management Body of Knowledge (commonly referred to as "PMBOK").

**b. Contractor's Project Transition Teams.** The Contractor's Project Transition Teams shall:

- i. manage the Project Management Plan and Implementation Plans using a formal software system development methodology;
  - ii. manage the Project's target dates, deliverables, technical specifications, and testing in accordance with the agreed-upon schedule in the Implementation Plans;
  - iii. provide non-automated e-mail acknowledgement of all correspondence and inquiries pertaining to mission critical incidents (such as those regarding go/no go decisions and test environment unavailability) within two (2) hours, including an estimated time of resolution, and non-automated acknowledgement of all non-mission critical correspondence and inquiries received outside of Business Hours within two (2) hours after Business Hours resume;
  - iv. address all correspondence and inquiries pertaining to mission critical incidents within one (1) Business Day of the original inquiry, address all other inquiries within three (3) Business Days, and continue to work with the Participant until each incident has been resolved;
  - v. prepare and submit weekly Project status reports to the Department;
  - vi. facilitate weekly conference calls to discuss Project status reports with the Department's Project Transition Team;
  - vii. facilitate all meetings necessary to complete the Contractor's responsibilities with respect to the Project, including:
    - I. a meeting with the Department that will be conducted in-person, unless otherwise approved in writing by the Department's Contract Manager, within fourteen (14) Calendar Days of the Effective Date to discuss the implementation approach for the Project, and
    - II. discovery meetings with each Agency Participant that will be conducted in-person unless otherwise approved in writing by the Department's Contract Manager;
  - viii. identify and inform the Department of any risks, issues, or opportunities related to the Project; and
  - ix. identify any scope issues and associated costs and communicate these to the Department's Project Transition Team.
- c. **Equipment.** As part of the Project, the Contractor shall provide an initial equipment fund of \$220,500.00 for the replacement of Agency Participants' existing POS equipment and software. This fund will be available to Agency Participants through completion of the Project, to purchase or rent POS equipment, subject to Department-approval. Agency Participants will be charged for POS equipment in accordance with Attachment 3, Price Response, to the extent that the State exceeds the initial equipment fund. POS equipment will be made available to Local Government Participants at the prices specified in Attachment 3, Price Response.

- d. Consultations and Training.** During the Project, the Contractor shall be available, at the Department's request, for onsite product and service consultations and training with Participants and the Department to ensure successful completion of the Project. These consultations and training sessions will be at the Contractor's expense. The Contractor shall provide Participant integration and user guides (payment settlement, reporting, reconciliation, administration, etc.) for Gateway - Non-Hosted, Gateway - Partially Hosted, and Gateway - Fully Hosted options.
- e. Business Requirements Document (BRD).** The Contractor shall, after consultation with Participants, develop a draft BRD for each Agency Participant within thirty (30) Calendar Days of the Effective Date (or for Local Government Participants, within thirty (30) Calendar Days of the execution of a Participation Agreement). For Agency Participants, a Participant-approved version of the BRD will be finalized within sixty (60) Calendar Days of the start of the implementation phase within which the individual Agency Participant is to transition to services under this Contract. For Local Government Participants, Participant-approved BRDs will be finalized within sixty (60) Calendar Days of the execution of a Participation Agreement. The Contractor shall provide updated documentation for affected Participants within thirty (30) Calendar Days of notification of a Core Platform change.
- f. Support.** The Contractor shall provide Participant support services for the e-Payment Processing Options being implemented. The Contractor shall designate key personnel assigned to providing the Participant support services, four (4) of whom shall be employed full-time in the Contractor's Tallahassee, Florida, office commencing 90 days after the Effective Date and concluding upon the Department's subsequent award of e-Payment services to a new contractor. Participant support services shall include, at a minimum:
- i.** issue resolution;
  - ii.** status updates;
  - iii.** new account coordination and set up;
  - iv.** provision of technical specifications and user guides; and
  - v.** implementation and technical resources, including access to subject matter experts in the business processes automated by the Contractor and technical experts in connectivity, application program interfaces, and batch data exchange, including secure data transmission.
- g. Implementation Plan.** The Contractor shall submit a draft of the Implementation Plans no later than forty (40) Calendar Days after the Contract Effective Date (or for a Local Government Participant, after execution of the Participation Agreement) and the final, detailed Implementation Plan no later than seventy-five (75) Calendar Days after the

Contract Effective Date (or for a Local Government Participant, after execution of the Participation Agreement). The Implementation Plans for Agency Participants shall be submitted to the applicable Agency Participant and to the Department. The Implementation Plans for Local Government Participants shall be submitted to the applicable Local Government Participant. The Department reserves the right to request modifications to the Contractor's Implementation Plans for Agency Participants prior to the Department's final approval. Any deviation by the Contractor from the Department- or Local Government-approved final Implementation Plan shall be considered a material breach, and all remedies provided for in this Contract and at law will be available to the Department or Local Government Participant, unless the Department or Local Government Participant has provided prior written approval for reasons it deems, in its sole discretion, to be beyond the control of the Contractor.

- h. PCI DSS.** The Contractor shall provide the Department and Participants with a plan to achieve PCI DSS compliance for each Participant before the Participant's Go-Live Date, along with specific recommendations to ensure ongoing PCI compliance. This plan will include a draft of the PCI Responsibilities List described in Section 10.1, below.
- i. Project Closeout.** Within thirty (30) Calendar Days of completion of a Participant transition, the Contractor shall provide the Department and applicable Participant with a Project closeout summary, which must include, at a minimum:

  - i.** a description of the e-Payment Processing Options transitioned, the transition timelines and obstacles, and any lessons learned;
  - ii.** the final technical configuration requirements;
  - iii.** a complete list of any product upgrades, modifications, and enhancements requested during the transition by the Participant or the Department, including the status of each request; and
  - iv.** issues identified during the transition and how they were resolved.
- j. Reports and Presentations.** The Contractor shall prepare reports and presentations as deemed necessary by the Department during the Project and shall provide such to the Department.
- k. Data Migration.**

  - i.** At a Participant's request, the Contractor shall import a batch file of future-dated payments for processing, at no additional charge.
  - ii.** At a Participant's request, the Contractor shall migrate up to one (1) year of the Participant's historical data including payment tokens, for administrative and archival purposes to the applicable secure online data warehouse, at no additional charge. This data must be accessible through the Contractor's online web portal for a period of



three (3) years following migration. Prior to the migration, the Participant and the Contractor will agree upon the format to be utilized for the data warehouse. During the migration, sensitive data will be encrypted in transit and at rest via a secure protocol agreed upon between the Department and the Contractor.

**5.2. Additional Participant Implementations and Transitions (Ongoing).** The following services must be provided throughout the duration of the Contract, as needed for onboarding a new Participant or providing changes in services.

- a. The Contractor shall consult with both the Department and Agency Participants to determine the ongoing needs of Agency Participants and the best e-Payment Processing Options for meeting those needs. The Contractor shall consult with Local Government Participants independently to determine their ongoing needs, as the Department does not manage the Local Government Participants' use of the Contract.
- b. The Contractor shall assign a Project Manager for each Participant transition or implementation (e.g., conversion or expansion of a Participant's existing e-Payment Processing Options, or implementation of a new e-Payment Processing Option for a Participant). The Project Manager will be responsible for the overall management of the transition or implementation and must be authorized to make decisions and manage the allocation of resources on behalf of the Contractor.
- c. Within ten (10) Business Days of receipt of a request for a new Participant transition or implementation, the Contractor shall schedule a discovery meeting with the new Participant, which must be in-person, unless otherwise approved in writing by the Department's Contract Manager, for Agency Participants. The Contractor shall provide a Project Management Plan for the transition or implementation within ten (10) Business Days of the discovery meeting.
- d. The change order process must provide for, at a minimum:
  - i. the Contractor's acknowledgement of a change order request from the Department within twenty-four (24) hours; and
  - ii. within ten (10) Business Days of the Contractor's acknowledgment of a change order request, the Contractor's provision of a proposed change order plan to the Department for Participant projects that identify changes after the project requirements have been gathered. The change order plan must also identify any additional costs the Participant will incur for POS equipment, EWS, or eCheck guarantee services.
- e. Within thirty (30) Calendar Days of the closeout of a Participant transition or implementation, the Contractor shall provide the Participant (and, in the case of Agency

Participants, the Department) with a closeout summary of the transition or implementation, which must include the transition's or implementation's purpose, final technical configuration document and design, e-Payment Processing Option details, timelines, obstacles, and lessons learned. The Contractor shall maintain a comprehensive list, during the term of the Contract, of Participant requests for product upgrades, modifications, and/or enhancements that are not currently available and their expected availability date.

**6. Daily Services.** Subject to the exceptions for maintenance specified in Section 9.2, below, the Contractor shall accept, process, authorize, and settle payments using processing platforms certified by the PCI Security Standards Council without interruption (twenty-four (24) hours a day, seven (7) days a week).

**6.1. Payment Types.** All e-Payment Processing Options must connect to the Core Platform to process the following payment types:

**a. Payment Cards.** The Contractor shall accept, authorize, process, and settle all Discover, MasterCard, American Express, and Visa brand Payment Cards.

**i. Convenience Fees.** The Contractor shall provide a method for the collection of a convenience fee charge on a transaction and must combine and split the convenience fee from the transaction fee in accordance with Payment Card Organization Rules and applicable law. The method provided must allow the Participants to choose at a Participant-Level between absorbed fees (fees determined and kept by the Participant) and managed fees (fees determined and kept by the Contractor to offset the fees it would have charged the Participant for processing the payment).

**ii. Convenience Fees Laws, Rules, and Regulations.** The Contractor shall notify the Department and Participants of changes in Payment Card Organization Rules, and PCI, State, and federal laws, rules, and regulations, that affect Participants' collection of convenience fees ninety (90) Calendar Days prior to the effective date of changes or no later than ten (10) Business Days after the Contractor becomes aware of such changes including anticipated impact to Participants. The Contractor shall use reasonable efforts to stay informed about any such changes.

**b. eChecks.** The Contractor shall provide a method for the acceptance of eChecks and provide processes that:

**i.** allow eChecks to be scheduled up to thirty (30) Calendar Days in advance;

**ii.** minimize the number of returns;

**iii.** allow Participants at a Participant-Level to decide whether to reject or accept eChecks from Customers with a bank account that has exceeded a predetermined limit of NSF's (this is accomplished by the Contractor creating a Negative Database

against which to check the payment account);

- iv. provide a real-time verification for duplicate eChecks by verifying at a minimum the check number, payment date, transaction amount, and account number; and
- v. at the rate set forth in Attachment 3, Price Response, includes services for eCheck Guarantee or Early Warning Service, which may be utilized at the Participant's discretion. eCheck Guarantee provides a guarantee on all eChecks processed, shifting the liability for returns to the Contractor. Early Warning Services provide real-time verification of bank account numbers for accounts held with participating banks.

## **6.2. e-Payment Processing Options.**

a. The Contractor shall provide services that facilitate the business processes of Participants for the e-Payment Processing Options described below. The following specifications apply to all e-Payment Processing Options:

- i. The required e-Payment Processing Options, collectively, must allow Participants to be capable of processing both Payment Card and eCheck payments via Web Applications, Mobile Applications, and automated IVR phone prompts.
- ii. All Payment Card transactions processed through the e-Payment Processing Options must be completed by a provider (whether the Contractor, Service Provider, or a Subcontractor) that is PCI DSS certified.
- iii. A Remittance File containing details for all transaction types received via all Payment Channels, as required by each Participant, must be generated by the Contractor after the payment cut-off time of 11:59 PM ET for Payment Card transactions and 8:00 PM ET for batch files.

### **b. Online Payments.**

- i. The Gateway – Fully Hosted, Gateway – Partially Hosted, and Gateway – Non-Hosted must be capable of: 1) processing both Payment Cards and eChecks; 2) for Gateway – Fully Hosted and Gateway – Partially Hosted, processing online transactions using Customer's PayPal account; and 3) transferring information, at a minimum, by both SOAP and REST.
- ii. The Remittance File generated for payments processed via one of the gateways must include a minimum of fifteen (15) Participant-defined fields.
- iii. The Contractor's internet site must be responsive to Customers' screen size (i.e. tablet, phone, computer).
- iv. **Gateway – Fully Hosted requirements.**
  - I. The Gateway – Fully Hosted must give Customers the ability to:
    - (a) initiate a one-time payment; and
    - (b) enroll to:
      - A. set up recurring payments, or enable capture and storage of

- funding details;
    - B.** add additional payment accounts;
    - C.** cancel a previously scheduled payment;
    - D.** schedule, modify, or cancel recurring payments; and
    - E.** inquire about previously scheduled, cancelled, refunded, or processed payments.
  - II.** The Contractor must be capable of accepting a master file from the Participant that is loaded into the gateway to enable bill validation and payment capture. The Contractor shall provide a means by which Participant-approved entities can view amounts due by both report number (generated from the master file) and date and select which amounts to pay. The Remittance File must be in the same format and contain the same data as the master file.
- c. POS** – The Contractor shall process payments received from Participants’ POS terminals provided by the Contractor, which must be capable of accepting and processing both card- present and card-not-present transactions via Wi-Fi or wired connections. The Contractor shall also provide the hardware (encrypted swipe device) to enable the ability for the Participant to utilize their own mobile devices that support cellular connections. The Contractor shall provide all equipment and software required for POS processing at the price indicated in Attachment 3, Price Response.
- i. POS Equipment.** The Contractor shall provide PCI-certified POS equipment and equipment software in accordance with section ii., below, for purchase, or for rent on a short-term basis. POS equipment rentals will not exceed six (6) months. All POS equipment offered by the Contractor must be EMV-capable. The Contractor must also provide POS equipment options that are Contactless-capable. The Contractor shall provide equipment software upgrades to the Participants’ POS equipment, along with installation support to ensure each Participant’s POS equipment functions properly, at no additional charge to the Participants.
  - ii. Annual Equipment Fund.** In accordance with Attachment 3, Price Response, and beginning on the Effective Date, the Contractor shall provide additional POS equipment, up to an aggregate annual amount of \$21,000.00 (the “Annual Equipment Fund”), at no additional charge to the Department or any Agency Participant. Use of the Annual Equipment Fund will be for Agency Participants at the discretion of the Department. Any remaining balance in the Annual Equipment Fund at the end of the Contract year will be credited to the following Contract year; provided, however, this credit shall be used solely for equipment, and if not utilized, it will not be refunded at the end of the Contract term. Any requested POS equipment in excess of the Annual Equipment Fund will be invoiced to the applicable Participant in accordance

with Attachment 3, Price Response.

- iii. **Equipment Orders.** The Contractor shall ship newly-requested POS equipment (and associated supplies), including rental POS equipment, to Participants within seven (7) Business Days of the request, and non-failure-related replacement equipment (and associated supplies) to Participants within three (3) Business Days of a written request, unless otherwise approved in writing by the requestor at the time of the request or unless the POS equipment is not commercially available for reasons outside of the Contractor's control. If the requested POS equipment is not commercially available, the Contractor shall propose a comparable alternative to the requestor for approval within two (2) Business Days. If approved, the Contractor shall ship alternate POS equipment within seven (7) Business Days of approval. The Department will make all POS equipment requests on behalf of Agency Participants. Local Government Participants will make such requests on their own behalf.
- iv. **Equipment Failures.** If POS equipment has failed, the Contractor shall repair the failed POS equipment or ship replacement equipment within twenty-four (24) hours of electronic notice of failure.
- v. **Equipment Inventory.** For Agency Participants, the Contractor shall maintain an inventory of varied POS devices, the variety of which will be based on the State's needs (the "Equipment Inventory") to fill POS equipment orders (for both purchases and rentals) and to replace failed POS equipment.
- vi. **POS Supplies.** The Contractor shall ship supplies needed to operate the hardware for POS equipment within twenty-four (24) hours of written request. The Contractor must provide an overnight shipping option, which shall be charged to the Participant in accordance with Attachment 3, Price Response.
- vii. **POS Changes.** The Contractor shall provide ninety (90) Calendar Days written notice for POS equipment or equipment software changes that affect Participants.

**d. IVR.**

- i. **System Requirements.** Subject to the exceptions for maintenance specified in Section 9.2, below, the Contractor shall provide an IVR system with touch-tone and speech-recognition capabilities, operating twenty-four (24) hours a day, seven (7) days a week. The IVR system must:
  - I. interact with the Participant's business systems and associated databases;
  - II. be available in English and Spanish (additional languages provided on the Available IVR Languages List included in Addendum C, Selected Portions of the BAFO, at no charge, within twenty-one (21) Calendar Days of a Participant's request);
  - III. accept and process payments twenty-four (24) hours a day, seven (7) days a week; and
  - IV. transfer Customers to a Participant's customer support call center and/or a

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Contractor's customer support service representative, Monday – Friday 7:00 AM to 7:00 PM ET.

- ii. **Annual IVR Minute Bank.** The Contractor shall provide, at no charge, a bank of 296,000 minutes per Contract year for Agency Participants (“IVR Minute Bank”). Any remaining balance in the IVR Minute Bank at the end of a Contract year will be credited to the following Contract year; *provided, however*, this credit shall be used solely for IVR and if not utilized, will expire at the end of the Contract term. Any minutes utilized by Agency Participants in excess of the IVR Minute Bank will be invoiced to the applicable Participant in accordance with Attachment 3, Price Response. Local Government Participants will pay for IVR services in accordance with Attachment 3, Price Response.
- e. **Batch File Transfer** – The Contractor shall facilitate a method for its receipt of daily custom batch files (which contain ACH instructions and pertinent Customer information) from Participants and third-party contractors that host Participant payment applications. Each batch file may contain up to 99,999 individual transactions scheduled for a specific date. Batch files will be sent between 5:00 PM and 8:00 PM ET each Business Day. The Contractor shall:
- i. complete acceptance of transactions received via batch file prior to beginning the end-of-day process;
  - ii. send an acknowledgment for each batch file that contains the number and total dollar amount of accepted transactions, and individually identifies any rejected transactions and the reason for the rejection;
  - iii. modify effective dates in batch files to applicable processing dates to ensure that the transactions sent through the ACH network accommodate expected settlement dates;
  - iv. provide extended processing network hours to complete settlements, eliminating split batches caused by high volumes of transactions that overlap settlement cut-off times;
  - v. at the Participant's request, provide the Participant with a Remittance File that includes a minimum of fifteen (15) Participant-defined fields;
  - vi. provide single batch settlement processing for batch sizes of up to 99,999 transactions; and
  - vii. use the Participant-provided reference number on the NACHA file generated for the Participant, subject to NACHA limitations.

**6.3. Web Portal.** The Contractor shall provide the Department and Participants with access to the web portal that allows administrative functions to be performed at the Participant-Level and allows administrative rights to be assigned to specific roles. The portal's functionality shall allow:

- a. the Department to set up a new Participant-Level with approval workflow;

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- b. Participants to cancel a previously scheduled payment;
- c. Participants to schedule, modify, or cancel recurring payments;
- d. Participants to refund processed payments; and
- e. the Department and Participants to inquire about previously scheduled, cancelled, refunded, or processed payments.

**6.4. Payment Authorization and Fraud Prevention.** The Contractor shall provide, at a minimum, the authorization methods and error-checking listed below to assist with fraud prevention, subject to a Participant's request:

- a. Matches:
  - i. CVV (rejecting charges without a CVV code match),
  - ii. Customer name on Payment Card (rejecting charges with a name mismatch), and
  - iii. Full address or zip code verification (rejecting charges with an address mismatch);
- b. on-screen verification to ensure that Payment Card numbers are not entered into the name field (to ensure that the Payment Card number is not inadvertently passed along to a Participant who is using a Gateway – Partially Hosted or Gateway – Fully Hosted);
- c. double key requirement for bank account numbers;
- d. populated bank name based on routing number;
- e. account updater for Payment Card expiration dates (sending updated expiration dates on current Payment Cards that are on file with the Participant);
- f. configurable limit fields allowing Participants to set upper and lower charge amounts;
- g. automatic detection and avoidance of duplicate authorizations, refunds, and settlements;
- h. refunds verified against original authorization (existence and amount);
- i. automatic detection of high-risk activity (multiple authorizations on the same day and high dollar amounts);
- j. same-day voids to correct payment amounts;
- k. automated settlement notification (error checking and alerts);
- l. real-time Payment Card authorization and multiple cut-off times to accommodate Participant-Level batching and settlement requirements; and
- m. authorization of Payment Card transactions with the option to cancel individual transactions prior to an end-of-day file being processed for settlement; the end-of-day file must include any cancellations processed in order to remove authorization holds placed on associated Payment Cards.

The Contractor shall also provide support services for answering chargeback and returned item inquiries.

**6.5. Payment Settlement.**

- a. In accordance with the table below\*, the Contractor shall ensure the direct settlement

of all captured payments (regardless of payment type or e-Payment Processing Option) into: 1) for Agency Participants, the Agency Participant’s subaccount of the Department’s concentration bank account; and 2) for Local Government Participants, the Local Government Participant’s settlement account, as designated by the Local Government Participant. The account designated for settlement is referred to as the “Depository Account.” Currently, there are approximately 115 Agency Participant subaccounts, but this number may change, and subaccounts may be retitled, during the term of the Contract. The Department shall notify the Contractor of any such changes.

<b>Payment Type</b>	<b>Cut-off Time</b>	<b>Settlement</b>
Visa, MasterCard, Discover	11:59 PM ET	Next Banking Business Day**
AMEX	11:59 PM ET	2 <sup>nd</sup> Banking Business Day
ACH	8:00 PM ET	Next Banking Business Day**

\*All transactions that would otherwise be settled on bank holidays and weekends will be settled on the following Banking Business Day.

\*\*The settlement timing is subject to the Depository Account being at the same bank as the Sponsoring Bank. If that is not the case, then the payments must settle into the Depository Account within two (2) Banking Business Days of capture.

- b.** If the Depository Account changes, the Contractor will be provided with the new Depository Account information, either in writing or electronically, no later than sixty (60) Calendar Days before the change, and the Contractor shall make appropriate changes to its systems, at no charge to the Participant, to ensure that funds settle to the Participant’s new Depository Account on the date that the change is scheduled to occur. The Department will provide the new concentration bank account information and subaccount information for all Agency Participants. Changes to a Depository Account for a Local Government Participant will be provided by the Local Government Participant.
- c.** If the Department’s concentration account is moved to a new bank, the Contractor shall use commercially reasonable efforts to work with the Department’s new bank to achieve the settlement of captured payments in accordance with the timeframe set forth in the table above at such new bank. If this cannot be accomplished, the Contractor shall continue to settle payments, at no additional cost, utilizing the existing Sub-



Merchant Agreement but in accordance with the longer timeframe specified above.

**6.6. Payment Card Settlement Reconciliation.**

- a. The Contractor shall provide the Department with a daily settlement reconciliation file that contains the details of all Agency Participants' settlement activity no later than 7:00 AM ET on the following Banking Business Day. At a Participant's request, the Contractor shall provide a separate daily settlement reconciliation file containing only the individual Participant's settlement details to the Participant no later than 7:00 AM ET on the following Banking Business Day. If the file is not received by 7:00 AM ET, the Contractor shall initiate and escalate an issue tracking process until remedied.
- b. The Contractor shall provide, at the Participant's request, a copy of the NACHA-formatted file sent daily to the ACH network that matches the Remittance File.
- c. Each Processing Day, the Contractor shall accept and initiate all Standard Entry Class codes and enable the Participants to identify specific transactions by providing the Participant with settlement transaction ACH records that include sufficient information for such identification.
- d. For each transaction processed, the Contractor shall maintain a unique authorization code or number (order ID) as a part of the transaction and provide it electronically to the Participant's business application so it can be used to research transaction activity and settlement. The order ID can be accessed through query or the Web Portal.

**6.7. eCheck Returns and Payment Card Chargebacks, Refunds, and Adjustments.**

The Contractor shall adhere to all chargeback rules and regulations published by the Payment Card brands accepted through this Contract. Participants are responsible for providing the Contractor any information about the payment that may be required by the Contractor in order to dispute the chargeback.

- a. Chargebacks and adjustments processed for Participants must be debited or credited from the bank account to which the original transaction settled.
- b. Payment Card refunds processed for Participants must be netted against the Participant's daily settlement total. If the refund cannot be issued to the Payment Card used for the transaction, the Participant shall refund the Customer using an alternate Payment Card through the use of a Contractor-provided API, information for which will be provided by the Customer to the Participant.
- c. If chargeback management services are requested by a Participant, the Contractor shall handle all the Participant's chargebacks from the time it is first notified through final resolution, at which time the item is successfully resolved or is charged back to the Participant.
- d. The Contractor shall make available to Participants a web-based chargeback tracking/resolution tool that allows the Participant to view chargeback details, produce reports, and respond to and resolve inquiries. The web-based tool must be available from 6:00 AM – 6:00 PM ET on Business Days.

- e. The Contractor shall provide Participants with a method to track Customer refunds and adjustments using the order ID.
- f. The Contractor shall provide the Department with a file of eCheck returned-item details by Participant-Level for Agency Participants. The Contractor shall also provide a method for all Participants to access returned eCheck information online as long as the Participant is utilizing a Contractor-approved Depository Bank. eCheck returns must be debited from the bank account to which the original transaction settled.
- g. The Contractor shall provide Notification of Change (NOC) details to the Department and Participants in a file format specified by the Department or the Participant.

## 6.8. Optional Services.

### a. General Description.

- i. The Contractor shall provide the Optional Services described in this section, at no charge and at a Participant's request, to allow for direct acceptance of e-Payments and to enhance the processing of e-Payments.
- ii. The labor rates specified in Attachment 3, Price Response, will not apply to the build, design, customization, or configuration of the Optional Services.
- iii. The Contractor shall notify the Department in writing six (6) months in advance of any modification or replacements to the Optional Services required by the Contractor that will require the Department or a Participant to make substantial programming or processing changes to its systems.

### b. AppEngine for Payment Forms.

AppEngine enables the Contractor to work with Participants to build on-line forms and workflows and automate PDFs for the web, increasing Customer engagement and decreasing manual processes. AppEngine, at a minimum, has the following functionality:

- i. Interfaces with the Core Platform to securely process payments.
- ii. Forms Builder turns paper forms, applications, and processes into interactive services to reduce data input errors and boost overall productivity and efficiencies.
  - I. Allows the Contractor to work with Participants to design and build applications and integrate third-party APIs quickly.
  - II. For submission data read through an API, a Form Response API can be automatically generated.
- iii. Offers customizable themes and styles at the Participant-Level.
- iv. Provides submissions to Participants through a read-only API.
- v. Provides the Contractor the ability to work with Participants to configure and build various types of applications to directly receive or facilitate e-Payment acceptance, such as:
  - I. Business Registrations
  - II. Contact Us Forms
  - III. Event Registrations (where a fee is charged to register for the event)
  - IV. Inspections
  - V. Jurisprudence Exams
  - VI. Lookup Apps

- VII. Simple License/Permit Renewals (where a fee is charged for the renewal)
  - VIII. Mailing List Sign Up
  - IX. Order Forms
  - X. Quizzes
  - XI. Surveys
- c. **Customer Database (CDB).** CDB offers a subscription and monthly billing service for high-volume Customers. CDB is used to maintain Customer balances, manage service pricing, and store user profiles. CDB, at a minimum, has the following functionality:
- i. **Customer Management.** Customer profiles can be created, stored, and managed.
    - I. Each Customer has its own dashboard with real-time aging balances, main contact information, status, and notes with the latest activity on the account.
    - II. All invoices, payments, and adjusting entries are stored in one record assigned to the Customer.
  - ii. **Secure Billing Data Storage.** All Customer information is encrypted and kept in a separate, secure database layer.
    - I. CDB integrates with the Core Platform to allow Customers to make one-time or recurring payments on their accounts.
    - II. Participant applications can use the GUID (Globally Unique Identifier) received for these stored accounts to create one-time or recurring payments in the Customer's account.
  - iii. **Transaction Management.** Provides real-time access to transaction activity, reports, and balances.
  - iv. **Flexible Payment Options.** Set up for recurring fixed and variable amounts.
    - I. Customers can elect to pay invoices by Payment Card or eCheck. The system accepts all Payment Card types selected by the Participant during on-boarding.
    - II. Customers can elect recurring payments using their default bank account or Payment Card on account.
  - v. **Invoicing.** Provides Participants with various options for billing Customers. Invoices can be mailed to the Customer or e-mailed as an attachment. Alternatively, Customers can elect to receive a notification that an invoice is ready for the Customer to login, view, and pay.
  - vi. **Cash Management.** Allows Participants to enter batches of payments, create refunds, or enter returned payments for Customers.
    - I. eCheck and Payment Card payments are automatically batched and posted to the Customer's records.
- d. **Event Registration Portal.** The Event Registration Portal is an events gateway and donation solution which includes, at a minimum, the following functions:
- i. **Event Registration.** Allows Customers to search for and view upcoming events.

- I. Supports Customer access through mobile devices with a responsive design.
  - II. Shopping cart functionality allows Customers to register themselves or multiple Customers for events.
  - III. Allows for Customer registrations as a one-time user or while logged in through an account.
  - IV. Allows Customers to view order history, manage current registrations, and cancel registrations before a set cut-off date.
  - V. Allows Customers to view and download any pre-event materials made available by the organizer.
  - VI. Allows for virtually unlimited use cases (e.g. facilities reservations, youth sports sign-up, special use payments, conference registration).
  - ii. **Donations.** Integrates with the Core Platform to allow for online donations.
    - I. Allows for Customer donations as a one-time user or while logged in through an account.
    - II. Customers can enter information including name, phone number, email address, and donation amount.
    - III. Presents and emails donation confirmation receipts to Customers.
  - iii. **Administrative Functions for Participants.** Provides Participants the ability to log in, create, and manage Customer accounts, access reports, create and manage events, and view donations.
    - I. Configurable by the Participant and/or the Contractor, as is relevant, to match the Participant's website.
    - II. Includes reporting on events, memberships, and donations.
    - III. Allows for email notifications pertaining to events, memberships, and donations.
    - IV. Ability to configure and modify information about each event.
    - V. Ability to group all event registrants based on their registration input.
    - VI. Allows for creation and management of promotion/coupon codes.
    - VII. Provides functionality to produce printed materials (e.g. nametags, table tents, guest roster).
- e. **Gov2Go® Platform for Payments (Gov2Go).** Gov2Go learns about a Customer's civic responsibilities, tracks those interactions, notifies them about an upcoming renewal or payment, and provides for one-click payments to complete the transaction. Gov2Go, at a minimum, has the following functionality:
- i. Provides access via web, iOS, and Android.
  - ii. Allows Customers to build profiles and identifies and manages services offered by the Participants that may be relevant to the Customers.
  - iii. Based on Customer profiles and services of interest, tracks and notifies Customers about upcoming renewals and payments.
    - I. Tracking. Provides Customers with a timeline of their various payment dates (e.g. vehicle registration renewal) and services of interest (e.g. hunting season opening) along with additional information and flows for completing those payments from within the application.
    - II. Notifications. Sends Customers notifications regarding their various

payment dates and services of interest. Multiple notifications can be provided for a given service. Based on configuration, notifications can be delivered via email, SMS, or push notifications on the Customer's device and in-app messages.

- iv. Allows Customers to store and maintain payment information for one-click payment.
  - v. Allows Customers to make one-time purchases (e.g. park passes, donations, etc.).
  - vi. Provides Customers with a repository of related documents for completed transactions (e.g., receipts, digital park passes, and temporary vehicle registrations).
- f. OnTheGo® Mobile Application (OTG).** OTG enables Participants to capture payments made with Payment Cards via a mobile application that works with encrypted swipers on Participant-provided mobile devices. OTG is available for iOS and Android devices and interfaces with the Core Platform to allow for gateway processing, transaction management, and financial reporting. OTG, at a minimum, has the following functionality:
- i. Provides real-time and "Store and Forward" capabilities.
    - I. When the device is connected to a network (cell or wi-fi), OTG sends the payment information to the Gateway – Non-Hosted in real-time for processing.
    - II. When the device is not connected to a network (cell or wi-fi), transactions are securely stored on the device in pending status until the device is reconnected to a network, at which time the pending transactions are processed through the Gateway – Non-Hosted.
    - III. All payment configurations (e.g., transaction limits) will be set during on-boarding with each Participant at the Participant-Level.
  - ii. Utilizes two (2) types of devices, one that connects to the audio jack and one that connects via Bluetooth.
  - iii. Offers a user-friendly design that makes each of the essential functions (payment, refunds, history, and reports) easily accessible.
  - iv. Allows optional receipts to be sent via email or text to Customers when the device is connected to a network. Participants may also use a Bluetooth thermal printer for printing receipts.
  - v. Allows Participants to:
    - I. Set up a catalog of products or services available for purchase.
    - II. Issue full or partial refunds.
    - III. View the full transaction history of completed or failed transactions.
    - IV. Search transactions by name, last-4 card digits, date, comment, or transaction ID.
    - V. Generate various reports that can be exported to different formats (e.g., Excel, CSV, PDF, etc.).
- g. Prompt Pay.** Prompt Pay allows Participants to send a prepopulated payment link by SMS text message and/or email to Customers. Prompt Pay, at a minimum, has the

following functionality:

- i. Accepts Visa, MasterCard, Discover, and American Express.
- ii. Participant functionality (within the administrative system) includes:
  - I. An online dashboard that allows the Participant to send a custom email or text message with a payment link within a few seconds of a Customer interaction. Participant can create payments for multiple programs or services.
  - II. To ensure the Customer completes the payment, an automated or manual reminder can be triggered from the dashboard, allowing the Participant to track the life cycle of the payment.
  - III. A link to a PDF form with a payment message that sets an expiration date and time after which the payment link will be obsolete.
  - IV. Resending of payment requests. Depending on predefined settings, outstanding payment requests will automatically be resent Monday through Friday during pre-set hours.
  - V. Editing or cancellation of payment requests by Participants.
  - VI. Adding and managing users.
  - VII. Tracking of administrative changes to Prompt Pay, such as by viewing the activity history.
- iii. Customer functionality includes:
  - I. Receipt of an email/text message that contains information specific to a Participant (i.e. contact details, invoice/permit number, description and amount).
  - II. Access to a link that directs to a secure payment page with a Participant-designed look.
  - III. Access to multiple payment methods (Payment Card, eCheck, or Gov2Go, if applicable), payment amount, and a description of the service being paid for.
  - IV. Payment receipts delivered to the Customer's device via email or SMS text message.
  - V. After payment, Customer is returned to a landing page of the Participant's choice.
- iv. Participants can run the following reports, all of which have a bulk upload feature and a sortable table of results and can be exported to CSV:
  - I. Order ID
  - II. Unique Identifier
  - III. Confirmation Number
  - IV. Username
  - V. Service (if Participant has multiple services)
  - VI. Status of Payment Requests
  - VII. Total Payment Amount
  - VIII. Participant Amount
  - IX. Order Start & End Dates

## 7. Reporting and Query Requirements.

The Contractor shall deliver robust reporting and query tools that assist the Department and

Participants with accounting and reconciling transactions. The reporting and query tools must permit the Department and Participants to select from a full array of delivered and ad hoc reports that can be tailored to fit individual needs and are downloadable.

**7.1. On-Demand Reporting.** The Contractor shall provide the following on-demand reporting options:

- a. Reports and queries that: 1) contain sufficient detail to reconcile payments (including, at a minimum, payee name and transaction ID); 2) are accessible through the Participant's business system (via a secure interface) or web browser; and 3) are available from 6:00 AM – 8:00 PM ET Monday – Friday.
- b. Intra-day reports that list all payments that have been made during a Business Day.
- c. Enrollment reports that include details of Customers that have enrolled to make payments through Gateway – Fully Hosted sites.
- d. Payment and settlement reports (which include details and statuses of settlements, chargebacks, refunds, and adjustments):
  - i. to the Department in a detailed hierarchical structure from the State to the Participant-Level (this does not include Local Government Participants),
  - ii. to the Participant in a detailed hierarchical structure from the Participant to the Participant-Level (which must include fifteen (15) Participant-defined fields), and
  - iii. to Participants in a format that gives the Participants the ability to filter by payment type, funding source, date, and Payment Channel.
- e. Ad hoc reporting and query capabilities:
  - i. for the Department in a detailed hierarchical structure from the State to the Participant-Level (this does not include Local Government Participants),
  - ii. for the Participant in a detailed hierarchical structure from the Participant to the Participant-Level (which must include fifteen (15) Participant-defined fields), and
  - iii. that gives Participants the capability to filter reports by specific date ranges (daily, weekly, monthly, quarterly, and annually).
- f. Provide the Department with custom reports (not available in the Core Platform), as requested (the first five (5) of which each Contract year will be at no charge).
- g. Ad hoc reports must be available for transfer using modern real-time APIs. The system or website through which reports are provided must be capable of restricting access to electronic reports and queries through role-based administrative rights and password protection and providing online access to detailed and summarized transaction data history for, at a minimum, the preceding twenty-four (24) months. The Contractor shall provide the Department with a report that lists all reports available to the Department and Participants (along with a description) and specifies the roles that can access the reports.

## 7.2. Quarterly, Semi-Annual, and Annual Reporting Requirements.

- a. **Contract Activity Report.** The Contractor shall provide a Contract activity report to the Department on a quarterly basis beginning after the first Participant Go-Live Date. This report must summarize the Contractor's activity for each Participant and contain the following information:
  - i. Participant's Name;
  - ii. Participant's Merchant ID;
  - iii. dollar volume by e-Payment Processing Option and Payment Card brand and type;
  - iv. number of transactions by Payment Card type and e-Payment Processing Option;
  - v. average ticket by Payment Card type and e-Payment Processing Option; and
  - vi. fees paid by e-Payment Processing Option, sorted by type (interchange, processor, convenience fees, etc.).
- b. **Performance and Scalability.** Using the following criteria, the Contractor shall quantify and report its performance and scalability measures to the Department within thirty (30) Calendar Days after the end of each quarter, unless another time period is indicated below:
  - i. Payment Card authorizations per hour.
    - A. For Mid-range volume, specify:
      - I. response time, and
      - II. processing duration.
    - B. For Peak volume, specify:
      - I. response time,
      - II. processing duration,
      - III. maximum number of Customers on the Contractor's interface,
      - IV. maximum volumes processed and authorized at one time, and
      - V. maximum anticipated volumes that can be processed and authorized at one time, which must be projected annually on the Effective Date.
    - C. Latency at POS.
  - ii. Settled transactions per day.
- c. **Interchange Categories and Rates.** Semi-annually, the Contractor shall provide the Department with analyses and comparisons of the following:
  - i. Payment Card interchange categories for each Participant;
  - ii. trends of previous interchange rates as compared to new rates; and
  - iii. best practices to reduce interchange rates for each Participant.
- d. **Fiscal Year Report.** By July 31st of each year, the Contractor shall provide the Department a report of all e-Payment transactions for the State's fiscal year (July 1 – June 30) for each Agency Participant that is sorted by payment type and includes convenience fee and processing fee information.
- e. **SOC 2 Type 2 Report.** On a yearly basis, the Contractor shall provide the Department



with secure website access to, or an electronic copy of, the Contractor's SOC 2 Type 2 report within sixty (60) Calendar Days after it's published by its independent auditors. The Contractor shall provide a follow-up on any outstanding items from its independent audit.

- f. Financial Statements.** On a yearly basis, the Contractor shall provide the Department with the Contractor's independently audited financial statements. The Contractor shall provide a follow-up on any outstanding items from its independent audit.

## **8. Support Services, Consultations, and Participant Training.**

The Contractor shall provide the following support services, product and service consultations, and Participant training for e-Payment Processing Options:

### **8.1. Support Services.** The Contractor shall provide support services that include:

- a.** designation of key personnel (i.e., a designated support team) assigned to the Contract, four (4) of whom shall be employed full-time in the Contractor's Tallahassee, Florida, office commencing 90 days after the Effective Date (and concluding upon the Department's subsequent award of e-Payment services to a new contractor), whose responsibilities include, at a minimum:
  - i.** issue resolution,
  - ii.** status updates,
  - iii.** new account coordination and set up,
  - iv.** provision of technical resources,
  - v.** requesting additional assistance when unexpected issues require assistance from personnel outside the designated support team,
  - vi.** initiation of implementation requests, and
  - vii.** resolution of payment processing and invoicing issues;
- b.** at the Department's request, additional customer service/account managers during large system changes;
- c.** real-time access to transaction details;
- d.** reports to the Department and Participants that review and analyze the quality of support service activities;
- e.** upon the Contractor's discovery of technical issues with an e-Payment Processing Option, alerts to the Department and Participants of the issues and, after resolution of the issues, provide the Department and Participants with an After-Action Report (description of the issue, description of the process and time for resolution, and steps for prevention of reoccurrence);
- f.** the handling of all issues, incidents, and problems in accordance with mutually-agreed upon escalation or dispute resolution procedures, including the provision of a detailed communication plan to the affected parties;
- g.** non-automated e-mail acknowledgement of all correspondence and inquiries pertaining to mission critical incidents (such as those regarding the direct

reconciliation of a Participant's transactions and transfers to the settlement bank account or any other payment transaction involving the Contractor) within two (2) hours, including an estimated time of resolution; acknowledgement of all non-mission critical correspondence and inquiries received outside of Business Hours must be within two (2) hours after Business Hours resume;

- h.** all correspondence and inquiries pertaining to mission critical incidents being addressed by the Contractor within one (1) Business Day of the original inquiry, all other inquiries being addressed by the Contractor within three (3) Business Days, and the Contractor's continued work with the Participant until each incident is resolved;
- i.** the undertaking of any research request initiated by the Department's or Local Government Participant's designated staff members (whose names will be provided electronically to the Contractor);
- j.** a self-help portal that accommodates support services; and
- k.** weekly consultations with the Department to discuss outstanding issues, status of projects, and deliverables.

**8.2. Product and Service Consultations.** Product and service consultations shall include:

- a.** notification to the Department of any Agency Participant request for additional services or modifications to existing services (the Contractor shall take no action regarding the Agency Participant's requested changes without prior authorization from the Department and shall notify the Department via e-mail of any request made by Department personnel other than those on the approved list);
- b.** for additional services, new equipment, or modification to existing services, onsite consultations at the Department's request;
- c.** informing the Department and Participants of efficiencies that may reduce expenses; and
- d.** informing the Department and Participants of new or advanced technology innovations.

**8.3. Participant Training.** Participant training shall include, at no expense to the Department or Participants:

- a.** at the Department's request, the provision of training to the Department and Participants a maximum of six (6) times per year (this training may be accomplished via conference calls or webinars, may be scheduled by the Contractor or made available on demand, and shall be provided for all facets and areas of the e-Payment Processing Options);
- b.** online training that allows Participants to utilize courses or training videos developed by the Contractor at the request of the Department, which must be available for use by Participants within thirty (30) Calendar Days of the Department's request, which may include a tracking tool for user progress and reporting of course completion;

- c. a program that keeps the Department and Participants informed and up-to-date on current Payment Card brand regulations, PCI data security standards, and State and federal e-Payment regulations;
- d. curriculum to meet the specific needs of each individual Participant;
- e. training on POS equipment and software installation and use; and
- f. a tutorial of the reporting tools.

**9. Data and System Requirements.**

**9.1. Data Accuracy.** The Contractor shall maintain an accuracy level of at least 99.9999% for all e-Payment transactions processed or transmitted. The measurement of data accuracy is accuracy of Participant-defined fields and payment attributes that Participants send to the Contractor (Data Accuracy). This means that fewer than .0001% of the transactions have a failure in Data Accuracy. The Contractor shall notify the Department upon discovery of any failure of Data Accuracy within five (5) Business Days and provide the Department with a monthly report containing failures by Participant, within thirty (30) Calendar Days after the last day of the month.

**9.2. Contractor Systems Availability and Maintenance.** The Contractor shall provide, without interruption, twenty-four (24) hours a day, seven (7) days a week, availability to process e-Payments, except as otherwise provided in this section.

- a. The Contractor shall ensure that the latency (i.e., round-trip time starting with the Contractor's receipt of a transaction request and ending with output of the result from the Contractor's system) for each transaction is, on average, less than or equal to five (5) seconds, for transactions performed for a Participant in a Processing Day. The average will be calculated by dividing, for each Processing Day, the total time in seconds of all transactions for a Participant by the number of transactions for that Participant. The measurement of latency excludes Participant's systems. If the performance falls below this requirement, the Contractor shall restore the performance to the required level within eight (8) hours of notification from the Department or a Participant.
- b. The Contractor shall not perform routine or auxiliary maintenance at any time outside of its scheduled maintenance windows, which will be on a Sunday between the hours of 3:00 AM and 9:00 AM ET. The Contractor shall provide an annual calendar of scheduled auxiliary maintenance which may occur once per quarter. If the Contractor anticipates any downtime during routine and auxiliary maintenance, it shall provide notice to the Department no less than fourteen (14) Calendar Days prior to conducting such maintenance.
- c. In the event that the Contractor's routine or auxiliary maintenance windows change after execution of this Contract or a Participation Agreement, notice must be submitted to the Department and Participants in writing no less than (14) Calendar Days prior to

the change, and the proposed window must not be during Business Hours. Such change will not require formal amendment to the Contract or Participation Agreement. Any other deployments (including system upgrades or software releases) outside of routine or auxiliary maintenance windows will be zero-downtime and occur as needed. Any deployments that will incur downtime will occur inside a routine or auxiliary maintenance window and be communicated as described above.

- d. The Contractor shall provide the Department and Participants with twelve (12) months' written notice for changes to technology or software (other than the Core Platform) that is utilized by Participants. Additionally, if the Contractor knows the technological changes are of a nature that will impact the Department's or Participants' applications, the notice must so indicate.

### **9.3. Data Management.**

- a. The Contractor shall provide access to view processed transactions during the term of the Contract.
- b. At a Participant's request, Contractor shall provide up to one (1) year of Participant's historical data, including payment tokens, through a secure online data warehouse or in a format acceptable to the Participant. The historical data must be available for a period of one (1) year after expiration or termination of the Contract or termination of a Participation Agreement. The Contractor shall provide the historical data upon thirty (30) Calendar Days' request from the Department or Participant. Sensitive data will be encrypted in transit and at rest via a secure protocol agreed upon between the Department and the Contractor.

**9.4. Participant Project Development and Testing Environment.** The Core Platform shall support a separate Participant user acceptance test environment that is uniquely accessible for each Participant. The test environment shall support functionality that substantially mirrors the production environment, including all external connections and firewalls. The Contractor shall support testing in phases that ensure operability and desired results in unit, system, and acceptance testing to meet targeted production dates. The Contractor shall also provide Participants with test Payment Cards for end to end transaction verification in the test environment. The Contractor shall provide eCheck test account information to use for verification to the gateway in the test environment.

**9.5. Web Application Standards.** The Contractor shall use secure web application standards specific to web-based technology for application interface standards. The Contractor shall provide an annual certification letter, due on the anniversary of the first Go-Live Date, stating that its program interfaces use secure web application standards and the web application standards being utilized.

**9.6. Programming Resources.** The Contractor shall provide any programming resources necessary to ensure that data files provided by the Contractor remain compatible with the Department's and Participants' systems.

**9.7. Florida PALM.** The Department anticipates transitioning from the FLAIR system to the Florida PALM system during the term of the Contract. Any changes required during this process must be accommodated by the Contractor at no additional cost. The Contractor shall provide an estimated timeline within thirty (30) Calendar Days upon the Department providing specifications for implementation of Florida PALM for each Agency Participant.

**10. Data Security Requirements.**

The following requirements are in addition to the requirements set forth in Addendum B, Data Security Requirements.

**10.1. Data Security.** The Contractor shall assist each Participant, including the Participant's third-party contractors, with utilizing security protocols that safeguard the confidentiality and integrity of information in compliance with PCI DSS. The Contractor shall operate and manage systems as follows:

- a. PCI DSS Certification and Compliance.** With regard to payment cardholder information transmitted and processed by the Contractor, a Service Provider, or a Subcontractor under this Contract, the Contractor shall ensure: 1) compliance with PCI DSS, Payment Card brand regulations, and State and federal laws; and 2) that the entity responsible for safeguarding such data is PCI DSS certified. In addition, the Contractor shall: 1) maintain PCI DSS compliance and provide the PCI AOC to the Department within thirty (30) Calendar Days of its issuance; and 2) ensure that all e-Payment Processing Options are in compliance with PCI DSS.
- b. PCI Support Staff.** The Contractor shall provide support and compliance staff with experience with PCI requirements to assist the Department and Participants in complying with current and future PCI requirements. These services shall include, at a minimum:
  - i.** The Contractor's participation in PCI-related meetings and conference calls at the request of the Department or Participants.
  - ii.** Providing a PCI awareness program to educate and inform Participants of the critical nature of PCI.
  - iii.** Providing notification to the Department and Participants within thirty (30) Calendar Days of the Contractor becoming aware of any changes or clarifications to the PCI DSS.
- c.** The Contractor and each Participant understands and agrees to comply with PCI DSS and any amendments thereto. The Contractor and each Participant are responsible for the security of cardholder data in its possession. The Contractor and each Participant

agree to maintain a list (the “PCI Responsibilities List”) of which PCI DSS requirements are managed by the Participant and which requirements are the responsibility of the Contractor to include in the Contractor’s PCI DSS reviews. Upon request, the Contractor and each Participant agrees to provide the others (in this case, also a requesting party) with written proof of its compliance with the PCI DSS. Participants shall be responsible for compliance with PCI DSS version 3.2 and any more current versions for any POS device, including, but not limited to, the maintenance, inspection, and training obligations set forth in PCI DSS Requirement 9.9.

- 10.2. Security Audit.** Within thirty (30) Calendar Days after the anniversary of the Effective Date, and yearly thereafter, the Contractor shall provide the Department with one or more security audits conducted by a third party at the Contractor’s expense. The security audits must include an evaluation of the Contractor’s systems management and security. The audits shall also provide information on the following:
- a. security and PCI DSS being applied;
  - b. list of Subcontractors and Service Providers responsible for security (not including independent contractors working for the Contractor solely in a staff augmentation role);
  - c. methods used to safeguard confidential data during collection, during transmission, and at rest (including authentication protocol);
  - d. data backup procedures and schedules; and
  - e. data archiving and retrieval procedures, including methods used to periodically test these procedures.
- 10.3. Core Platform Security and Breach.** The Contractor shall ensure that use of the Core Platform is restricted to authorized persons and have internal controls to monitor, detect, record, prevent, and minimize unauthorized activity. The Contractor shall notify the Department within twenty-four (24) hours of the discovery of any suspected unauthorized activity, and notify the Department and affected Participants of any verified unauthorized activity within four (4) hours of any Core Platform breaches of personal information (as defined in section 501.171, F.S., when used in this paragraph) that have occurred, any incident in which Confidential Information might have been exposed, or any compromise in the Contractor’s ability to provide services under this Contract. The Contractor shall provide staff to monitor, respond, and assist in mitigating the Participants’ liability in the event of a breach of security (as defined in section 501.171, F.S., when used in this paragraph).
- a. The Contractor is responsible for fulfilling the notification and reporting requirements placed on the Department by section 501.171, F.S. (the “Statutory Requirements”), at the Contractor’s expense, in the event that the Contractor is

responsible for a breach of personal information; the Contractor will be permitted to utilize notification methods permissible for the Department under such statute, such as substitute notification, when applicable. In the event that the Contractor is required to provide any notification, the Contractor must obtain prior written approval from the Department regarding the contents of the notice, which approval will not be unreasonably withheld, conditioned, or delayed. If the Contractor causes such breach of security of personal information, the Contractor will provide one (1) year of credit monitoring services to affected customers (the “Credit Monitoring Requirements”). The Department and Participants will work with Contractor to facilitate the Contractor’s use of and reimbursement from its cyber liability insurance for such expenses.

- b. If at any time an Agency Participant believes that personal information has been compromised, it must notify the Department promptly.

**10.4. Optional Methods of Protection.** The Contractor shall make available the following options to Participants to protect Payment Card information and meet PCI DSS compliance mandates:

- a. **Truncation:** The ability to eliminate all digits of a Payment Card number except for the last four to six (4-6) digits.
- b. **Hashing:** The ability to transform Payment Card numbers into a shorter, fixed-length value.
- c. **Encryption:** The ability to transform Payment Card information, by applying mathematically proven cryptographic methods, into unreadable data unless explicitly allowed.
- d. **Tokenization:** The ability to replace persistent Payment Card information in applications and databases with a token that can only be exchanged with a Payment Card number when it is required at the time of transmission or upon authorization.

## **11. Disaster Recovery.**

**11.1. Disaster Recovery Plan.** Within thirty (30) Calendar Days of the Effective Date, the Contractor shall provide the Department with a disaster recovery plan that ensures business continuity for the Department and Participants. The Contractor shall provide the Department with an updated plan yearly thereafter. The plan must provide for full restoration of e-Payment Processing Options within six (6) hours of any disaster event and must include:

- a. a schedule of disaster recovery plan testing;
- b. Contractor, Service Provider, and Subcontractor roles and responsibilities;
- c. Participants’ involvement in the testing;
- d. how Participants’ data is secured in the event of a disaster;
- e. how the Department and Participants will be notified in the event of a disaster;
- f. a restoration timeline to include the ability to resume standard payment services within

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six (6) hours;

- g.** how often Participant data is backed up and a data backup schedule; and
- h.** a detailed annual report describing test results and remedies.

- 11.2. Key Managers.** The Contractor shall provide the names of at least two (2) key managers and their support staff whom the Department or Participants can contact during a disaster, along with their e-mail addresses and regular and emergency telephone numbers. Two (2) back-up contacts for each position shall also be provided. The Contractor shall notify the Department of any changes to these persons within ten (10) Business Days of the change.
- 11.3. Offsite Data Storage Facilities.** The Contractor shall have offsite data storage facilities that provide mirrored, redundant processing to support disaster transaction processing for e-Payments. The Contractor shall provide the locations of these facilities to the Department.
- 11.4. Updating Disaster Recovery Plans.** The Contractor shall update disaster recovery plans and provide the updates to the Department and Participants within sixty (60) Calendar Days of local, State, or federal laws, rules, or regulations that impact the disaster recovery plan.
- 11.5. Disaster Testing.** Deficiencies revealed in disaster testing shall be provided to the Department in a report showing that the deficiencies were resolved and changes implemented within thirty (30) Calendar Days of the test date. If testing reveals a possible interruption of service or loss of data, changes shall be made within twenty-four (24) hours of identified deficiencies. The Department reserves the right to send personnel to observe disaster testing, at the State's expense.

## **12. Payment Provisions.**

- 12.1. Invoicing and Compensation.** The Contractor shall provide each Participant with a monthly invoice that contains the details of all charges for the services provided to the Participant that month. The Contractor shall invoice no later than the 30th of the following month. Other than in its capacity as a Participant or for ad hoc reports beyond the first five (5) requested in any Contract year, the Contractor shall not bill the Department for any services related to this Contract. Billing shall be available at each Merchant ID, terminal ID, or Participant-Level to enable the Participant to identify associated expenses. The compensation for this Contract is stated in Attachment 3, Price Response. All invoices must be in sufficient detail for a proper pre-audit and post-audit to be performed.
- 12.2. Expenses.** The Contractor will not be compensated for any separate expenses or travel.
- 12.3. Fees and Fines.**

- a. Payment Card Organization Rules.** For obligations identified in the Your Payment Acceptance Guide Responsibility Matrix (the "Matrix") in Section 15, below, as

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those for which the Participant is a, or the, responsible party, or for obligations identified in the PCI Responsibilities List for which the Participant is responsible, the Participant shall reimburse the Contractor for any fees or fines imposed on the Contractor by the Payment Card brands, directly or indirectly, for the Participant's failure to comply with any Payment Card Organization Rules or PCI DSS. However, if the fee or fine is incurred due to the Contractor's failure to meet its obligation as a responsible or consulted party under the Matrix, or its failure to meet its obligations under a PCI Responsibilities List, the Contractor will not be reimbursed. Further, if the Contractor's Service Providers have collected reimbursement for such fees directly from the Participant, the Contractor will not be reimbursed.

- b. **NACHA.** Participants shall reimburse the Contractor for any fees or fines imposed on the Contractor by NACHA for the Participant's failure to comply with any NACHA rules.
- c. **Invoicing.** The Contractor shall invoice the Participant for any fees assessed for non-compliance and provide supporting documentation. The Contractor shall also notify the Department in the event that any fees are imposed on an Agency Participant.

### 13. Deliverables.

The Contractor shall provide the following deliverables:

<p><b>Deliverable No. 1:</b> Completion of the Project.  <b>Due Date:</b> Within fourteen (14) months of the Effective Date.  <b>Performance Standards:</b> In accordance with Section 5.1, Initial Participant Transition (i.e., the Project).  <b>Financial Consequences:</b> \$10,000.00 per Business Day that the Project remains uncompleted after eighty-three (83) days from the Due Date listed for this Deliverable 1.</p>
<p><b>Deliverable No. 2:</b> Project Closeout.  <b>Due Date:</b> Upon completion of each Participant transition.  <b>Performance Standards:</b> In accordance with Section 5.1.i., Project Closeout.  <b>Financial Consequences:</b> \$100.00 per Business Day that the Project closeout summary is late.</p>
<p><b>Deliverable No. 3:</b> Provision of the Core Platform.  <b>Due Date:</b> Ongoing, upon first Go-Live Date.  <b>Performance Standards:</b> In accordance with Section 4, Core Platform.  <b>Financial Consequences:</b> If the Core Platform is not able to accept and process e-Payments for more than six (6) hours (the "grace period") in a twenty-four (24) hour period, the Contractor will be assessed, per affected Participant, \$100.00 per hour thereafter that the Core Platform is not available until the Core Platform is available. The six (6) hour grace period does not reset until the Core Platform has been available for seven (7) Calendar Days as described in this Contract.</p>

<p><b>Deliverable No. 4:</b> Latency of Core Platform.  <b>Due Date:</b> Ongoing, commencing three (3) months after Go-Live Date for each Participant.  <b>Performance Standards:</b> In accordance with Section 9.2.a, Contractor Systems Availability and Maintenance.  <b>Financial Consequences:</b> If material performance degradation has not been restored within eight (8) hours of notification by the Department or a Participant, \$100.00 per Calendar Day per affected Participant.</p>
<p><b>Deliverable No. 5:</b> Provision of User Acceptance Test Environment.  <b>Due Date:</b> Ongoing, commencing three (3) months after the Effective Date.  <b>Performance Standards:</b> In accordance with Section 9.4, Participant Project Development and Testing Environment.  <b>Financial Consequences:</b> \$500.00 per Business Day for each Participant for which the test environment is unavailable.</p>
<p><b>Deliverable No. 6:</b> Provision of Additional Participant Implementations and Transitions.  <b>Due Date:</b> Ongoing.  <b>Performance Standards:</b> In accordance with Section 5.2, Additional Participant Implementations and Transitions (Ongoing).  <b>Financial Consequences:</b> At the Contractor's expense, provision of a corrective action plan if a milestone in the Project Management Plan is missed. For Agency Participants, the corrective action plan must be submitted to the Agency Participant and Department and must be mutually agreed upon by the Agency Participant, Department, and Contractor. For Local Government Participants, the corrective action plan must be submitted to the Local Government Participant and must be mutually agreed upon by the Local Government Participant and the Contractor.</p>
<p><b>Deliverable No. 7:</b> Provision of POS Equipment and Software.  <b>Due Date:</b> Ongoing, upon first Go-Live Date.  <b>Performance Standards:</b> In accordance with Section 6.2.c., POS.  <b>Financial Consequences:</b> \$500.00 per Business Day, per affected Participant if the Contractor has not provided PCI DSS-compliant POS equipment and software or has not repaired or replaced equipment and software within the applicable time period set forth in Section 6.2.c.</p>
<p><b>Deliverable No. 8:</b> Settle e-Payments into Participant's Depository Account.  <b>Due Date:</b> Ongoing, upon first Go-Live Date.  <b>Performance Standards:</b> In accordance with Section 6.5, Payment Settlement.  <b>Financial Consequences:</b> For each Banking Business Day the Contractor is unable to settle payments in accordance with the timeframes specified in Section 6.5, 1% of the average e-Payment receipts for each affected Participant for the portion delayed (based on the previous three (3) month's average daily e-Payment receipt total for the affected Participant) per Banking Business Day that the settlement is delayed, plus lost interest earnings (with the lost interest earnings for Agency Participants being credited to the Department and lost interest calculated based on the one-year LIBOR rate).</p>
<p><b>Deliverable No. 9:</b> Provision of Reporting and Query Tools.  <b>Due Date:</b> Ongoing.  <b>Performance Standards:</b> In accordance with Section 7, Reporting and Query Requirements.  <b>Financial Consequences:</b> \$250.00 per Calendar Day that the Contractor's reporting and</p>

query tools are not available beginning forty-eight (48) hours after the Contractor is notified of the unavailability by the Department or a Participant.

**Deliverable No. 10:** Provision of Support Services.

**Due Date:** Ongoing.

**Performance Standards:** In accordance with Section 8.1, Support Services.

**Financial Consequences:** If acknowledgement of a mission critical incident has not occurred within four (4) Business Hours of receipt or a mission critical incident has not been addressed within one (1) Business Day, \$250.00 per incident shall be assessed, with the assessment being credited to the entity that sent the correspondence or inquiry.

**Deliverable No. 11:** Provision of Consultations and Training.

**Due Date:** Ongoing.

**Performance Standards:** In accordance with Section 8.2, Product and Service Consultations, and Section 8.3, Participant Training.

**Financial Consequences:** At the Contractor's expense, provision of a corrective action plan if a requested consultation or training is not provided. The corrective action plan must be mutually agreed upon by the Department and Contractor.

**Deliverable No. 12:** Maintenance of Data Security and Provision of Security Audit.

**Due Date:** Ongoing.

**Performance Standards:** In accordance with Section 10.1, Data Security, and Section 10.2, Security Audit.

**Financial Consequences:** \$5,000.00 per Business Day that the Contractor is out of compliance with PCI DSS.

**Deliverable No. 13:** Maintenance of Data Accuracy Level.

**Due Date/Review Cycle:** Ongoing, upon first Go-Live Date.

**Performance Standards:** In accordance with Section 9.1, Data Accuracy.

**Financial Consequences:** For each Business Day that the monthly report is late, \$250.00. If the Contractor's accuracy level falls below 99.9999% for two (2) or more consecutive months, \$1,000.00 per each .0001% below the required level, per each consecutive month after the first.

**Deliverable No. 14:** eCheck Returns and Payment Card Chargebacks, Refunds, and Adjustments.

**Due Date/Review Cycle:** Ongoing, upon first Go-Live Date.

**Performance Standards:** In accordance with Section 6.7, eCheck Returns and Payment Card Chargebacks, Refunds, and Adjustments.

**Financial Consequences:** \$500.00 per affected Participant, per Business Day that the Contractor does not provide ACH return information or chargeback services for a period longer than one (1) Business Day.

**Deliverable No. 15:** Disaster Recovery Plan.

**Due Date/Review Cycle:** Thirty (30) Calendar Days after Effective Date and yearly thereafter.

**Performance Standards:** In accordance with Section 11, Disaster Recovery.

**Financial Consequences:** \$250.00 per Business Day that the initial disaster recovery plan or yearly update thereto is late.

**Deliverable No. 16:** Provision of Optional Services.

**Due Date:** Ongoing, upon implementation of an Optional Service.

**Performance Standards:** In accordance with Section 6.8, Optional Services.

**Financial Consequences:** At the Department's request, the Contractor shall provide, at its expense, a corrective action plan if an Optional Service is unavailable for more than four (4) hours in a twenty-four (24) hour period. For Agency Participants, the corrective action plan must be submitted to the Agency Participant and the Department and must be mutually agreed upon by the Agency Participant, Department, and Contractor. For Local Government Participants, the corrective action plan must be submitted to the Local Government Participant and must be mutually agreed upon by the Local Government Participant and the Contractor. The Contractor shall assist the Department as needed with the correction of issues arising from the unavailability of the Optional Service.

**Deliverable No. 17:** Provision of Value-Added Services.

**Due Date:** Ongoing, upon implementation of a Value-Added Service.

**Performance Standards:** In accordance with Exhibit 1 to this Attachment 2, Statement of Work.

**Financial Consequences:** If the Value-Added Service is not available for more than one (1) Business Day in a monthly billing period, the affected Participant's monthly fee for the Value-Added Service will be reduced by 5% per Business Day that the Value-Added Service was unavailable.

The financial consequences for Deliverable Nos. 4, 9, and 14 will not apply to events for which the financial consequence for Deliverable No. 3 is applied. Financial consequences for all deliverables will be applied at the direction of the Department (if the affected Participant is an Agency Participant) or a Local Government Participant (if the affected Participant is the Local Government Participant), and, if at the direction of the Department, the Department will provide the Contractor a list of affected Agency Participants to be credited. In no event shall the Contractor be required to pay a financial consequence in excess of the Average Monthly Fees as a result of a single incident that causes a failure of one or more Deliverables. "Average Monthly Fees" means either a) the average monthly fees that the Contractor charged to Participants in the previous 12-month period, excluding pass-through fees (as identified on Attachment 3, Price Response), or b) \$500,000.00, whichever is greater.

For the avoidance of doubt, financial consequences will not be applied to the extent that the Contractor's failure to meet deliverable obligations and performance standards are due to: 1) a force majeure event, as described in Section 24, Force Majeure, Notice of Delay, and No Damages for Delay, of Attachment 4, PUR 1000; or 2) maintenance performed during the hours specified in Section 9.2, Contractor Systems Availability and Maintenance, above; or 3) an event caused by the Payment Card organizations; or 4) an event caused by a Participant or its other contractors.

#### 14. Miscellaneous Contract Terms.

e-Payment Collection and Processing Services

**14.1. PUR 1000.** The following provisions found in PUR 1000, available at [http://dms.myflorida.com/business\\_operations/state\\_purchasing/documents\\_forms\\_references\\_resources/purchasing\\_forms](http://dms.myflorida.com/business_operations/state_purchasing/documents_forms_references_resources/purchasing_forms), are not applicable to this Contract:

- a. Section 2. Purchase Orders;
- b. Section 3. Product Version;
- c. Section 4. Price Changes Applicable only to Term Contracts, subsections (b), Best Pricing Offer, and (e), Equitable Adjustment;
- d. Section 5. Additional Quantities;
- e. Section 6. Packaging;
- f. Section 8. Safety Standards;
- g. Section 11. Transportation and Delivery;
- h. Section 12. Installation;
- i. Section 20. Limitation of Liability;
- j. Section 22. Termination for Convenience;
- k. Section 23. Termination for Cause;
- l. Section 26. Purchase Order Duration;
- m. Section 28. Assignment;
- n. Section 30. Dispute Resolution;
- o. Section 31. Employees, Subcontractors, and Agents;
- p. Section 37. Notices; and
- q. Section 38. Leases and Installment Purchases.

**14.2. Insurance.**

- a. **Commercial Crime Insurance.** The Contractor, at its sole expense, shall maintain a Commercial Crime policy with a limit of \$10,000,000.00 per loss at all times during the duration of the Contract. Among other things, the Commercial Crime policy must insure against computer fraud. The policy must provide coverage against intentional acts in connection with the activities performed under the Contract.
- b. **E&O/Network Risk/Cyber Insurance.** The Contractor, at its sole expense, shall maintain Technology Errors and Omissions insurance and first-party Breach Notification Coverage, with a limit of \$10,000,000.00 per claim and in the aggregate, at all times during the duration of the Contract. The policy must cover negligent acts or omissions related to services performed under the Contract.

**14.3. Performance Bond.** The Contractor, at its sole expense, shall maintain an annual performance bond for the term of the Contract in the amount of \$10,000,000.00. The bond must guarantee the Contractor's performance in accordance with the terms set forth in the Contract and the Contractor's financial obligations and liabilities to the Department if an Event of Default (as defined in Attachment 1, Standard Terms and Conditions) occurs and the Event of Default is not cured to the Department's reasonable satisfaction within thirty

(30) Calendar Days' after the Contractor was given written notice of the Event of Default. The Department must be named as the sole beneficiary of the bond. The Department must submit a bond claim with a written statement of the facts of the Event of Default by certified mail, which shall be paid directly to the Department under the terms of the bond. The performance bond must be issued by an entity authorized to issue the bond in the State. The Contractor shall not change, cancel, or alter the bond without express approval by the Department. The Contractor shall provide verification of the existence of the bond in writing, by providing a copy of the bond. The amount of the bond maintained by the Contractor will not be interpreted as limiting the Contractor's liability and obligations under the Contract and Participation Agreements. In the event that the bond is cancelled by the issuer for any reason, the Contractor shall immediately notify the Department of such cancellation and shall obtain a replacement that conforms to the requirements herein. The Contractor shall provide proof of such replacement within fifteen (15) Business Days after the cancellation.

- 15. Your Payment Card Acceptance Guide.** The Contractor and Participants shall comply with the applicable provisions of the Sub-Merchant Processing Agreement's Your Payments Acceptance Guide as indicated in the Matrix below. The Contractor shall perform the below obligations to the extent the data, equipment, applications, and systems are within the Contractor's custody or control. Each Participant is fully responsible for the data, equipment, applications, and systems in the Participant's custody or control. The Department will be informed on all tasks associated with Agency Participants. To the extent that a Participant takes exception to a specific requirement in the Agency (or Local Government, as applicable) Participant Sub-Merchant Processing Agreement's Your Payment Acceptance Guide that does not flow directly from the Payment Card Organization Rules, the Contractor shall work with its Service Providers and the Participant during implementation to establish a reasonable workaround that meets the Participant's e-Payment processing needs.

Your Payment Acceptance Guide Responsibility Matrix		Contractor	Participant
<b>Part I - Gives you information about preparing to accept transactions</b>			
1	Use of Payment Organizations' Brands	A/C	R/I
2	Point-of-Sale (POS) Reminders	A/C	R/I
3	Validating the Cards	A/C	R/I
4	Transaction Guidelines	A/C	R/I
5	Security	R/A/C	R/I
6	TransArmor Services	A/C	I
7	Debit Cards	A/C	R/I
8	Electronic Benefit Transfer (EBT) Transactions	Not Applicable	Not Applicable
<b>Part II - Information about transaction types</b>			

9	Authorizations	R/A/C	I
10	Special Types of Transactions	R/A/C	I
11	Sales Drafts	R/A/C	I
12	Refunds	R/C	R/A/I
13	Exchanges	Not Applicable	Not Applicable
14	Chargebacks, Retrievals and Other Debits	R/C	R/A/I
15	Suspect/Fraudulent Transactions	A/C	R/I
<b>Part III – Gives you helpful information and guidelines for specific industries</b>			
16	Lost/Recovered Cards	A/C	R/I
17	Retention of Records	A/C	R/I
18	Return of Equipment	A/C	R/I
19	Timeframes	R/A/C	I
20	Additional Provisions for Specific Industries	Not Applicable	Not Applicable
<b>Appendices</b>			
1	Additional Provisions for WEX and Voyager	Not Applicable	Not Applicable
2	Additional Provisions for American Express	R/A/C	I
3	Special Provisions for Discover Network	R/A/C	I
4	Special Provisions for PayPal	Not Applicable	Not Applicable
5	Special Provisions for Alipay	Not Applicable	Not Applicable

<b>Legend</b>	
<b>R</b>	<b>Responsible</b> – The primary party(s) responsible for completing a task; more than one responsible party may be assigned to a task.
<b>A</b>	<b>Accountable</b> – The party ultimately answerable for a task, which includes “yes” or “no” authority; only one accountable party can be assigned to a task.
<b>C</b>	<b>Consulted</b> – The party that provides guidance and has expertise for a task.
<b>I</b>	<b>Informed</b> – The party(s) that needs to be informed and kept up-to-date on a task.

## DEPARTMENT OF FINANCIAL SERVICES

### EXHIBIT 1

#### Value-Added Services

##### **Value-Added Services.**

The Contractor shall provide the following Value-Added Services, upon a Participant's request via a change order (and subject to Department approval for all Agency Participants), to enhance the overall e-Payment experience for Customers by indirectly facilitating payments. Pricing for Value-Added Services is specified in Attachment 3, Price Response. By electing to utilize any of these services, the Participant confirms that such use will be within the scope of this Contract and will not circumvent any of the requirements of chapter 287, F.S., or other applicable law.

1. **AppEngine to Facilitate Payments (AppEngine VAS).** AppEngine VAS provides the Contractor the ability to work with Participants to configure and build the following types of services to enhance the e-Payment experience:
  - a. Contact Us Forms to gather feedback and process Customer support inquiries.
  - b. Simple event registrations that do not require a fee to register but may allow Customers to make e-Payments at the event (e.g., county fair).
  - c. Inspections that could ultimately result in a fine or fee processed via the Core Platform.
  - d. Lookup Apps to check status of, for example, professional licensing that could ultimately result in a payment via the Core Platform.
  - e. Surveys to gather feedback to enhance the e-Payment experience for Customers.
2. **Gov2Go® Platform for Timeline and Notifications (Gov2Go VAS).** Based on Customer profile, Gov2Go VAS notifies Customers via e-mail, text message, push notification on the Customer's device, or in-app message about relevant information associated with future payments. These notifications provide details about documents needed or actions required by the Customer before a payment can be made, including, for example:
  - a. A business registration notification that reminds the Customer of an upcoming payment or deadline;
  - b. Notification that taxes are due; or
  - c. Notification of documents that are needed to renew a Customer's driver's license.
3. **Custom Development.** The Contractor shall provide custom development services to Participants to enhance e-Payment services in accordance with the professional services rates specified in Attachment 3, Price Response. The Participant must create a Statement of Work for such custom development prior to beginning the custom development.
4. **Professional Services.** The following positions may be utilized to enable the Value-Added Services described above. The rate associated with each position is specified on Attachment 3, Price Response.



Labor Category	Experience	Description
<b>Technical Lead</b>	5 years	Experience serving as the lead of complex technology implementations. Understands how to deploy systems on infrastructure-as-a-service and platform-as-a-service providers. Comfortable with liberally sharing knowledge across a multi-disciplinary team and working within agile methodologies. Primarily responsible for designing overall solution and designing modern front-end web programming techniques and frameworks, as well as backend relational databases. Clearly communicates and works with stakeholders at every level.
<b>Project Manager</b>	3 years	Formulates/defines system scope and objectives. Devises or modifies procedures to solve complex problems considering system and software capacity and limitations, operating time, and form of desired results. Prepares detailed specifications for programs. Assists in the design, development, testing, implementation, and documentation of new software and enhancements of existing applications. Works with developers and end users to ensure application designs meet business requirements. Formulates/defines specifications for complex software programming applications or modifies/maintains complex existing applications using engineering releases and utilities from the manufacturer. Designs, codes, tests, debugs, and documents those programs. Capable of working with industry and government experts on defined goals and objectives.
<b>Developer/Mid</b>	3 years	Creates and/or maintains software systems, communications software, database packages, compilers, repositories, and utility and assembler programs. Modifies existing software and develops special-purpose software to ensure efficiency and integrity between systems and applications. Able to work independently and in cross-functional information technology teams. Capable of providing leadership briefings and supporting multiple programs simultaneously. Serves as lead subject matter expert for systems modernization initiatives.
<b>Developer/Junior</b>	1 year	Creates and/or maintains software systems, communications software, database packages, compilers, repositories, and utility and assembler programs. Modifies existing software and develops special-purpose software to ensure efficiency and integrity between systems and applications. Able to work independently with minimal supervision. Provide analysis and recommendations to project leadership.

<b>Tester/QA</b>	1 year	Evaluates, recommends, and implements automated test tools and strategies. Designs, implements, and conducts test and evaluation procedures to ensure system requirements are met. Develops, maintains, and upgrades automated test scripts and architectures for application products. Also writes, implements, and reports status for system test cases for testing. Analyzes test cases and provides regular progress reports. Serves as subject matter specialist providing testing know-how for the support of user requirements of complex to highly complex software/hardware applications. Directs and/or participates in all phases of risk management assessments and software/hardware development with emphasis on analysis of user requirements, test design and test tools selection. Able to support the development and delivery of leadership briefings with clearly defined goals and objectives.
<b>Data Scientist</b>	5 years	Possesses knowledge of applying methodologies and principles to address client's needs. Support analyst functions including data collection, interviewing, data modeling, project testing, and creation of performance measurements to support project objectives. Conducts activities in support of project team objectives. Capable of working independently or with a team. Provides broad subject matter expertise across multiple projects/programs.
<b>Data Analyst</b>	2 years	Possesses knowledge of applying methodologies and principles to address client's reporting and data analysis needs. Data analyst functions including data collection, interviewing, data modeling, project testing, and creation of performance measurements to support project objectives. Conducts activities in support of project team objectives. Capable of working independently or with a team.
<b>Report Specialist</b>	1 years	Responsible for developing, drafting, writing, and editing reports, briefs, and other documents in support of a client's requirements. Interfaces with personnel to coordinate meetings; maintains logs, records, and files; provides end-user support, and performs general administrative duties. Assists in budgetary, billing, and financial management. Responsible for preparing and/or maintaining systems, programming, and operations documentation, procedures, and methods, including user reference manuals. Capable of working independently with minimal supervision as required.

This document is confidential and exempt from public disclosure pursuant to the exemption for trade secrets found in section 624.4213, F.S.

### Attachment 3, Price Response

The following pricing is applicable through the initial term and renewal term(s) of the Contract.

Core e-Payment Platform and Optional and Related Services	Price	Unit
<b>Credit and Debit Card Banking and Merchant Fees<sup>1</sup></b>	Pass-Through Price <sup>2</sup>	Percentage of Sales and Transaction
<b>Core Platform, Payment Processing of All Payment Cards and eChecks/ACH via Online, Mobile, POS, IVR and Batch, and Optional and Related Services, including, but not limited to:</b> <ul style="list-style-type: none"> <li>- On-Site Executive and Resolution Team</li> <li>- Processing of e-Checks and ACH</li> <li>- Optional Services: AppEngine, Customer Database, Event Registration Portal, Gov2Go, OntheGo, and Prompt Pay</li> <li>- Administrative Features and Reporting</li> <li>- Integration Methods</li> <li>- Data Migrations</li> <li>- Initial and Ongoing Replacement of POS Equipment for State Participants in accordance with the Initial and Ongoing Equipment Fund</li> <li>- IVR System in accordance with the IVR Bank</li> <li>- Ad Hoc and Custom Reporting (5 Reports per Contract Year)</li> <li>- Online PCI Training for Department and Participants</li> <li>- Professional Services to Enable Payment Processing Capabilities on the Core Platform</li> </ul> <b>All services described in Attachment 2, Statement of Work, are included in this per transaction price, unless a specific price is identified elsewhere within this Price Response.</b>	\$0.065/Transaction for Department of Transportation  \$0.11/Transaction for All Other Agency Participants and Local Government Participants	Transaction
<b>Elective Equipment and Services</b>	<b>Elective Price</b>	<b>Unit</b>
<b>POS Equipment to Own<sup>3</sup></b> <ul style="list-style-type: none"> <li>- MagTek DynaPad</li> <li>- MagTek DynaMag</li> <li>- MagTek uDynamo</li> <li>- MagTek iDynamo</li> <li>- FD40 EMV</li> <li>- CMP-20BTIU Printer</li> <li>- Ingenico Lane/3000</li> <li>- Ingenico Lane/5000</li> <li>- Ingenico Lane/7000</li> <li>- Ingenico Lane/Deluxe 7000</li> </ul>	Pass-Through Price, Initially \$95.00/ Device <sup>4</sup> Pass-Through Price, Initially \$110.00/Device <sup>4</sup> Pass-Through Price, Initially \$90.50/Device <sup>4</sup> Pass-Through Price, Initially \$90.50/Device <sup>4</sup> Pass-Through Price, Initially \$295.00/Device <sup>4</sup> Pass-Through Price, Initially \$299.00/Device <sup>4</sup> Pass-Through Price, Initially \$389.39/Device <sup>4</sup> Pass-Through Price, Initially \$402.10/Device <sup>4</sup> Pass-Through Price, Initially \$564.00/Device <sup>4</sup> Pass-Through Price, Initially \$636.38/Device <sup>4</sup>	Device
<b>POS Equipment to Rent<sup>3</sup></b> <ul style="list-style-type: none"> <li>- MagTek DynaPad</li> <li>- MagTek DynaMag</li> <li>- MagTek uDynamo</li> <li>- MagTek iDynamo</li> <li>- FD40 EMV</li> <li>- Ingenico Lane/3000</li> <li>- Ingenico Lane/5000</li> <li>- Ingenico Lane/7000</li> <li>- Ingenico Lane/Deluxe 7000</li> </ul>	\$10.00/Device/Month \$15.00/Device/Month \$10.00/Device/Month \$10.00/Device/Month \$30.00/Device/Month \$35.00/Device/Month \$35.00/Device/Month \$50.00/Device/Month \$55.00/Device/Month	Device/Month
<b>Overnight Shipping of POS Equipment<sup>3</sup></b>	Pass-Through Price	As applicable
<b>IVR System Minutes<sup>5</sup></b>	\$0.10/Minute	Minute
<b>Early Warning Service</b>	Pass-Through Price, Initially \$0.40/Transaction <sup>4</sup>	Transaction

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**This document is confidential and exempt from public disclosure pursuant to the exemption for trade secrets found in section 624.4213, F.S.**

eCheck Guarantee	Pass-Through Price, Initially 1% to 3% <sup>4</sup>	Percentage of Sales/Service
Value-Added SaaS and Professional Services	Value-Added Price	Unit
<b>Value-Added SaaS Services to enhance e-Payment Collection and Processing Services</b> AppEngine for Non-Payment Forms Gov2Go for Non-Payment Reminders	\$3,750.00/month/Participant \$7,500.00/month/Participant	SaaS/Month/Participant or Transaction up to \$3.00
<b>Value-Added Professional Services to enhance e-Payment Collection and Processing Services</b> <ul style="list-style-type: none"> <li>- Professional Services to Enable Value-Added SaaS Services</li> <li>- Professional Services for Custom Development</li> <li>- Professional Services to Provide Ad Hoc and Custom Reporting (Beyond 5 Reports per Contract Year)</li> </ul>	Technical Lead \$252.00/Hour Project Manager \$216.00/Hour Developer/Mid \$189.00/Hour Developer/Junior \$126.00/Hour Tester/QA \$126.00/Hour Data Scientist \$270.00/Hour Data Analyst \$252.00/Hour Report Specialist \$157.50/Hour	Hourly (payable by Fixed Fee or Transaction up to \$3.00)

<sup>1</sup> Credit and Debit Card Banking and Merchant Fees are Service Provider fees charged to Contractor to process Mastercard, VISA, Discover, American Express, PayPal, and Debit/ATM. These fees include third party transactions (transactions that are passed directly to Third Party Services Providers for processing and/or funding), chargebacks/reversals (transactions that are challenged or disputed by a cardholder or card-issuing bank), adjustments (the amounts credited to, or deducted from, your account to resolve processing and billing discrepancies), and interchange and merchant fees categorized as other fees on the invoice (amount charged to authorize, process and settle card transactions, along with transaction-based and/or fixed amounts charged for specific card processing services).

<sup>2</sup> Pass-Through Price for Credit and Debit Card Banking and Merchant Fees will depend on the mix of services selected and used by Participants.

<sup>3</sup> Agency Participants will be charged for POS Equipment to the extent that the State exceeds the initial equipment fund and the Ongoing Equipment Fund. All Local Government Participants will be charged for POS Equipment. For overnight delivery only, there is a separate shipping fee passed through at cost to the Participants.

<sup>4</sup> NIC has provided baseline initial pricing for the Pass-Through Price based on pricing as it is today. Pass-Through Price is subject to change based on factors outside of NIC's control. In the event of a change, NIC will notify the Department and Participants as soon as possible. The fees and descriptions on invoices received by Contractor from Subcontractors and/or Service Providers will match invoices provided to Participants for all Pass-Through Pricing.

<sup>5</sup> Agency Participants will be charged for IVR minutes to the extent that the State exceeds the IVR Bank. All Local Government Participants will be charged for IVR minutes. If a credit, debit or eCheck transaction is conducted as part of the IVR session, the applicable Credit and Debit Card Banking and Merchant Fees and Transaction fees for the Core Platform will also apply to such transactions.

**DEPARTMENT OF FINANCIAL SERVICES  
PUR 1000**

**ATTACHMENT 4**

**State of Florida  
PUR 1000  
General Contract Conditions**

**Contents**

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**1. Definitions.** The definitions contained in s. 60A-1.001, F.A.C. shall apply to this agreement. The following additional terms are also defined:

- (a) “Contract” means the legally enforceable agreement that results from a successful solicitation. The parties to the Contract will be the Customer and Contractor.
- (b) “Customer” means the State agency or other entity identified in a contract as the party to receive commodities or contractual services pursuant to a contract or that orders commodities or contractual services via purchase order or other contractual instrument from the Contractor under the Contract. The “Customer” may also be the “Buyer” as defined in the PUR 1001 if it meets the definition of both terms.
- (c) “Product” means any deliverable under the Contract, which may include commodities, services, technology or software.
- (d) “Purchase order” means the form or format a Customer uses to make a purchase under the Contract (e.g., a formal written purchase order, electronic purchase order, procurement card, contract or other authorized means).

**2. Purchase Orders.** In contracts where commodities or services are ordered by the Customer via purchase order, Contractor shall not deliver or furnish products until a Customer transmits a purchase order. All purchase orders shall bear the Contract or solicitation number, shall be placed by the Customer directly with the Contractor, and shall be deemed to incorporate by reference the Contract and solicitation terms and conditions. Any discrepancy between the Contract terms and the terms stated on the Contractor’s order form, confirmation, or acknowledgement shall be resolved in favor of terms most favorable to the Customer. A purchase order for services within the ambit of section 287.058(1) of the Florida Statutes shall be deemed to incorporate by reference the requirements of subparagraphs (a) through (f) thereof. Customers shall designate a contract manager and a contract administrator as required by subsections 287.057(15) and (16) of the Florida Statutes.

- 3. Product Version.** Purchase orders shall be deemed to reference a manufacturer's most recently release model or version of the product at the time of the order, unless the Customer specifically requests in writing an earlier model or version and the contractor is willing to provide such model or version.
- 4. Price Changes Applicable only to Term Contracts.** If this is a term contract for commodities or services, the following provisions apply.
- (a) Quantity Discounts. Contractors are urged to offer additional discounts for one time delivery of large single orders. Customers should seek to negotiate additional price concessions on quantity purchases of any products offered under the Contract. State Customers shall document their files accordingly.
  - (b) Best Pricing Offer. During the Contract term, if the Customer becomes aware of better pricing offered by the Contractor for substantially the same or a smaller quantity of a product outside the Contract, but upon the same or similar terms of the Contract, then at the discretion of the Customer the price under the Contract shall be immediately reduced to the lower price.
  - (c) Sales Promotions. In addition to decreasing prices for the balance of the Contract term due to a change in market conditions, a Contractor may conduct sales promotions involving price reductions for a specified lesser period. A Contractor shall submit to the Contract Specialist documentation identifying the proposed (1) starting and ending dates of the promotion, (2) products involved, and (3) promotional prices compared to then-authorized prices. Promotional prices shall be available to all Customers. Upon approval, the Contractor shall provide conspicuous notice of the promotion.
  - (d) Trade-In. Customers may trade-in equipment when making purchases from the Contract. A trade-in shall be negotiated between the Customer and the Contractor. Customers are obligated to actively seek current fair market value when trading equipment, and to keep accurate records of the process. For State agencies, it may be necessary to provide documentation to the Department of Financial Services and to the agency property custodian pursuant to Chapter 273, F.S.
  - (e) Equitable Adjustment. The Customer may, in its sole discretion, make an equitable adjustment in the Contract terms or pricing if pricing or availability of supply is affected by extreme and unforeseen volatility in the marketplace, that is, by circumstances that satisfy all the following criteria: (1) the volatility is due to causes wholly beyond the Contractor's control, (2) the volatility affects the marketplace or industry, not just the particular Contract source of supply, (3) the effect on pricing or availability of supply is substantial, and (4) the volatility so affects the Contractor that continued performance of the Contract would result in a substantial loss.
- 5. Additional Quantities.** For a period not exceeding ninety (90) days from the date of solicitation award, the Customer reserves the right to acquire additional quantities up to the

amount shown on the solicitation but not to exceed the threshold for Category Two at the prices submitted in the response to the solicitation.

- 6. Packaging.** Tangible product shall be securely and properly packed for shipment, storage, and stocking in appropriate, clearly labeled, shipping containers and according to accepted commercial practice, without extra charge for packing materials, cases, or other types of containers. All containers and packaging shall become and remain Customer's property.
- 7. Inspection at Contractor's Site.** The Customer reserves the right to inspect, at any reasonable time with prior notice, the equipment or product or plant or other facilities of a Contractor to assess conformity with Contract requirements and to determine whether they are adequate and suitable for proper and effective Contract performance.
- 8. Safety Standards.** All manufactured items and fabricated assemblies subject to operation under pressure, operation by connection to an electric source, or operation involving connection to a manufactured, natural, or LP gas source shall be constructed and approved in a manner acceptable to the appropriate State inspector. Acceptability customarily requires, at a minimum, identification marking of the appropriate safety standard organization, where such approvals of listings have been established for the type of device offered and furnished, for example: the American Society of Mechanical Engineers for pressure vessels; the Underwriters Laboratories and/or National Electrical Manufacturers' Association for electrically operated assemblies; and the American Gas Association for gas-operated assemblies. In addition, all items furnished shall meet all applicable requirements of the Occupational Safety and Health Act and state and federal requirements relating to clean air and water pollution.
- 9. Americans with Disabilities Act.** Contractors should identify any products that may be used or adapted for use by visually, hearing, or other physically impaired individuals.
- 10. Literature.** Upon request, the Contractor shall furnish literature reasonably related to the product offered, for example, user manuals, price schedules, catalogs, descriptive brochures, etc.
- 11. Transportation and Delivery.** Prices shall include all charges for packing, handling, freight, distribution, and inside delivery. Transportation of goods shall be FOB Destination to any point within thirty (30) days after the Customer places an Order. A Contractor, within five (5) days after receiving a purchase order, shall notify the Customer of any potential delivery delays. Evidence of inability or intentional delays shall be cause for Contract cancellation and Contractor suspension.
- 12. Installation.** Where installation is required, Contractor shall be responsible for placing and installing the product in the required locations at no additional charge, unless otherwise designated on the Contract or purchase order. Contractor's authorized product and price list shall clearly and separately identify any additional installation charges. All materials used in the installation shall be of good quality and shall be free of defects that would diminish the appearance of the product or render it structurally or operationally unsound. Installation



includes the furnishing of any equipment, rigging, and materials required to install or replace the product in the proper location. Contractor shall protect the site from damage and shall repair damages or injury caused during installation by Contractor or its employees or agents. If any alteration, dismantling, excavation, etc., is required to achieve installation, the Contractor shall promptly restore the structure or site to its original condition. Contractor shall perform installation work so as to cause the least inconvenience and interference with Customers and with proper consideration of others on site. Upon completion of the installation, the location and surrounding area of work shall be left clean and in a neat and unobstructed condition, with everything in satisfactory repair and order.

**13. Risk of Loss.** Matters of inspection and acceptance are addressed in s. 215.422, F.S. Until acceptance, risk of loss or damage shall remain with the Contractor. The Contractor shall be responsible for filing, processing, and collecting all damage claims. To assist the Contractor with damage claims, the Customer shall: record any evidence of visible damage on all copies of the delivering carrier's Bill of Lading; report damages to the carrier and the Contractor; and provide the Contractor with a copy of the carrier's Bill of Lading and damage inspection report. When a Customer rejects a product, Contractor shall remove it from the premises within ten days after notification or rejection. Upon rejection notification, the risk of loss of rejected or non-conforming product shall remain with the Contractor. Rejected product not removed by the Contractor within ten days shall be deemed abandoned by the Contractor, and the Customer shall have the right to dispose of it as its own property. Contractor shall reimburse the Customer for costs and expenses incurred in storing or effecting removal or disposition of rejected product.

**14. Transaction Fee.** The State of Florida has instituted MyFloridaMarketPlace, a statewide eProcurement System ("System"). Pursuant to section 287.057(23), Florida Statutes (2002), all payments shall be assessed a Transaction Fee of one percent (1.0%), which the Contractor shall pay to the State, unless exempt pursuant to 60A-1.032, F.A.C.

For payments within the State accounting system (FLAIR or its successor), the Transaction Fee shall, when possible, be automatically deducted from payments to the Contractor. If automatic deduction is not possible, the Contractor shall pay the Transaction Fee pursuant to Rule 60A-1.031(2), F.A.C. By submission of these reports and corresponding payments, Contractor certifies their correctness. All such reports and payments shall be subject to audit by the State or its designee.

Contractor shall receive a credit for any Transaction Fee paid by the Contractor for the purchase of any item(s) if such item(s) are returned to the Contractor through no fault, act, or omission of the Contractor. Notwithstanding the foregoing, a Transaction Fee is non-refundable when an item is rejected or returned, or declined, due to the Contractor's failure to perform or comply with specifications or requirements of the agreement.

Failure to comply with these requirements shall constitute grounds for declaring the Contractor in default and recovering reprocurement costs from the Contractor in addition to all outstanding fees. **CONTRACTORS DELINQUENT IN PAYING TRANSACTION FEES MAY BE SUBJECT TO BEING REMOVED FROM THE DEPARTMENT OF**

**MANAGEMENT SERVICES' VENDOR LIST AS PROVIDED IN RULE 60A-1.006, F.A.C.**

- 15. Invoicing and Payment.** Invoices shall contain the Contract number, purchase order number if applicable, and the appropriate vendor identification number. The State may require any other information from the Contractor that the State deems necessary to verify any purchase order placed under the Contract.

At the State's option, Contractors may be required to invoice electronically pursuant to guidelines of the Department of Management Services. Current guidelines require that Contractor supply electronic invoices in lieu of paper-based invoices for those transactions processed through the system. Electronic invoices shall be submitted to the Customer through the Ariba Supplier Network (ASN) in one of the following mechanisms – EDI 810, cXML, or web-based invoice entry within the ASN.

Payment shall be made in accordance with sections 215.422 and 287.0585 of the Florida Statutes, which govern time limits for payment of invoices. Invoices that must be returned to a Contractor due to preparation errors will result in a delay in payment. Contractors may call (850) 413-7269 Monday through Friday to inquire about the status of payments by State Agencies. The Customer is responsible for all payments under the Contract. A Customer's failure to pay, or delay in payment, shall not constitute a breach of the Contract and shall not relieve the Contractor of its obligations to the Department or to other Customers.

- 16. Taxes.** The State does not pay Federal excise or sales taxes on direct purchases of tangible personal property. The State will not pay for any personal property taxes levied on the Contractor or for any taxes levied on employees' wages. Any exceptions to this paragraph shall be explicitly noted by the Customer in the special contract conditions section of the solicitation or in the Contract or purchase order.

- 17. Governmental Restrictions.** If the Contractor believes that any governmental restrictions have been imposed that require alteration of the material, quality, workmanship or performance of the products offered under the Contract, the Contractor shall immediately notify the Customer in writing, indicating the specific restriction. The Customer reserves the right and the complete discretion to accept any such alteration or to cancel the Contract at no further expense to the Customer.

- 18. Lobbying and Integrity.** Customers shall ensure compliance with Section 11.062, FS and Section 216.347, FS. The Contractor shall not, in connection with this or any other agreement with the State, directly or indirectly (1) offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for any State officer or employee's decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give to anyone any gratuity for the benefit of, or at the direction or request of, any State officer or employee. For purposes of clause (2), "gratuity" means any payment of more than nominal monetary value in the form of cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. Upon request of the Customer's Inspector General, or

other authorized State official, the Contractor shall provide any type of information the Inspector General deems relevant to the Contractor's integrity or responsibility. Such information may include, but shall not be limited to, the Contractor's business or financial records, documents, or files of any type or form that refer to or relate to the Contract. The Contractor shall retain such records for the longer of (1) three years after the expiration of the Contract or (2) the period required by the General Records Schedules maintained by the Florida Department of State (available at: <http://dos.myflorida.com/library-archives/records-management/general-records-schedules/>). The Contractor agrees to reimburse the State for the reasonable costs of investigation incurred by the Inspector General or other authorized State official for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the State which results in the suspension or debarment of the Contractor. Such costs shall include, but shall not be limited to: salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for any costs of investigations that do not result in the Contractor's suspension or debarment.

**19. Indemnification.** The Contractor shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless the State and Customers, and their officers, agents, and employees, from suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to personal injury and damage to real or personal tangible property alleged to be caused in whole or in part by Contractor, its agents, employees, partners, or subcontractors, provided, however, that the Contractor shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of the State or a Customer.

Further, the Contractor shall fully indemnify, defend, and hold harmless the State and Customers from any suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right, provided, however, that the foregoing obligation shall not apply to a Customer's misuse or modification of Contractor's products or a Customer's operation or use of Contractor's products in a manner not contemplated by the Contract or the purchase order. If any product is the subject of an infringement suit, or in the Contractor's opinion is likely to become the subject of such a suit, the Contractor may at its sole expense procure for the Customer the right to continue using the product or to modify it to become non-infringing. If the Contractor is not reasonably able to modify or otherwise secure the Customer the right to continue using the product, the Contractor shall remove the product and refund the Customer the amounts paid in excess of a reasonable rental for past use. The customer shall not be liable for any royalties.

The Contractor's obligations under the preceding two paragraphs with respect to any legal action are contingent upon the State or Customer giving the Contractor (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Contractor's sole expense, and (3) assistance in defending the action at Contractor's sole expense. The Contractor shall not be liable for any cost, expense, or compromise incurred or made by the State or Customer in any legal action without the Contractor's prior written consent, which shall not be unreasonably withheld.

**20. Limitation of Liability.** For all claims against the Contractor under any contract or purchase order, and regardless of the basis on which the claim is made, the Contractor's liability under a contract or purchase order for direct damages shall be limited to the greater of \$100,000, the dollar amount of the contract or purchase order, or two times the charges rendered by the Contractor under the purchase order. This limitation shall not apply to claims arising under the Indemnity paragraph contain in this agreement.

Unless otherwise specifically enumerated in the Contract or in the purchase order, no party shall be liable to another for special, indirect, punitive, or consequential damages, including lost data or records (unless the contract or purchase order requires the Contractor to back-up data or records), even if the party has been advised that such damages are possible. No party shall be liable for lost profits, lost revenue, or lost institutional operating savings. The State and Customer may, in addition to other remedies available to them at law or equity and upon notice to the Contractor, retain such monies from amounts due Contractor as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against them. The State may set off any liability or other obligation of the Contractor or its affiliates to the State against any payments due the Contractor under any contract with the State.

**21. Suspension of Work.** The Customer may in its sole discretion suspend any or all activities under the Contract or purchase order, at any time, when in the best interests of the State to do so. The Customer shall provide the Contractor written notice outlining the particulars of suspension. Examples of the reason for suspension include, but are not limited to, budgetary constraints, declaration of emergency, or other such circumstances. After receiving a suspension notice, the Contractor shall comply with the notice and shall not accept any purchase orders. Within ninety days, or any longer period agreed to by the Contractor, the Customer shall either (1) issue a notice authorizing resumption of work, at which time activity shall resume, or (2) terminate the Contract or purchase order. Suspension of work shall not entitle the Contractor to any additional compensation.

**22. Termination for Convenience.** The Customer, by written notice to the Contractor, may terminate the Contract in whole or in part when the Customer determines in its sole discretion that it is in the State's interest to do so. The Contractor shall not furnish any product after it receives the notice of termination, except as necessary to complete the continued portion of the Contract, if any. The Contractor shall not be entitled to recover any cancellation charges or lost profits.

**23. Termination for Cause.** The Customer may terminate the Contract if the Contractor fails to (1) deliver the product within the time specified in the Contract or any extension, (2) maintain adequate progress, thus endangering performance of the Contract, (3) honor any term of the Contract, or (4) abide by any statutory, regulatory, or licensing requirement. Rule 60A-1.006(3), F.A.C., governs the procedure and consequences of default. The Contractor shall continue work on any work not terminated. Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the Contract arises from events completely beyond the control, and without the fault or negligence, of the Contractor. If the failure to perform is caused by the default of a

subcontractor at any tier, and if the cause of the default is completely beyond the control of both the Contractor and the subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted products were obtainable from other sources in sufficient time for the Contractor to meet the required delivery schedule. If, after termination, it is determined that the Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Customer. The rights and remedies of the Customer in this clause are in addition to any other rights and remedies provided by law or under the Contract.

**24. Force Majeure, Notice of Delay, and No Damages for Delay.** The Contractor shall not be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the Contractor or its employees or agents contributed to the delay and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the Contractor's control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is available to the Contractor. In case of any delay the Contractor believes is excusable, the Contractor shall notify the Customer in writing of the delay or potential delay and describe the cause of the delay either (1) within ten (10) days after the cause that creates or will create the delay first arose, if the Contractor could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) days after the date the Contractor first had reason to believe that a delay could result. **THE FOREGOING SHALL CONSTITUTE THE CONTRACTOR'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY.** Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages, other than for an extension of time, shall be asserted against the Customer. The Contractor shall not be entitled to an increase in the Contract price or payment of any kind from the Customer for direct, indirect, consequential, impact or other costs, expenses or damages, including but not limited to costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any cause whatsoever. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist the Contractor shall perform at no increased cost, unless the Customer determines, in its sole discretion, that the delay will significantly impair the value of the Contract to the State or to Customers, in which case the Customer may (1) accept allocated performance or deliveries from the Contractor, provided that the Contractor grants preferential treatment to Customers with respect to products subjected to allocation, or (2) purchase from other sources (without recourse to and by the Contractor for the related costs and expenses) to replace all or part of the products that are the subject of the delay, which purchases may be deducted from the Contract quantity, or (3) terminate the Contract in whole or in part.

**25. Changes.** The Customer may unilaterally require, by written order, changes altering, adding to, or deducting from the Contract specifications, provided that such changes are within the general scope of the Contract. The Customer may make an equitable adjustment in the Contract price or delivery date if the change affects the cost or time of performance. Such equitable adjustments require the written consent of the Contractor, which shall not be

unreasonably withheld. If unusual quantity requirements arise, the Customer may solicit separate bids to satisfy them.

**26. Renewal.** Upon mutual agreement, the Customer and the Contractor may renew the Contract, in whole or in part, for a period that may not exceed 3 years or the term of the contract, whichever period is longer. Any renewal shall specify the renewal price, as set forth in the solicitation response. The renewal must be in writing and signed by both parties, and is contingent upon satisfactory performance evaluations and subject to availability of funds.

**27. Purchase Order Duration.** Purchase orders issued pursuant to a state term or agency contract must be received by the Contractor no later than close of business on the last day of the contract's term to be considered timely. The Contractor is obliged to fill those orders in accordance with the contract's terms and conditions. Purchase orders received by the contractor after close of business on the last day of the state term or agency contract's term shall be considered void.

Purchase orders for a one-time delivery of commodities or performance of contractual services shall be valid through the performance by the Contractor, and all terms and conditions of the state term or agency contract shall apply to the single delivery/performance, and shall survive the termination of the Contract.

Contractors are required to accept purchase orders specifying delivery schedules exceeding the contracted schedule even when such extended delivery will occur after expiration of the state term or agency contract. For example, if a state term contract calls for delivery 30 days after receipt of order (ARO), and an order specifies delivery will occur both in excess of 30 days ARO and after expiration of the state term contract, the Contractor will accept the order. However, if the Contractor expressly and in writing notifies the ordering office within ten (10) calendar days of receipt of the purchase order that Contractor will not accept the extended delivery terms beyond the expiration of the state term contract, then the purchase order will either be amended in writing by the ordering entity within ten (10) calendar days of receipt of the contractor's notice to reflect the state term contract delivery schedule, or it shall be considered withdrawn.

The duration of purchase orders for recurring deliveries of commodities or performance of services shall not exceed the expiration of the state term or agency contract by more than twelve months. However, if an extended pricing plan offered in the state term or agency contract is selected by the ordering entity, the contract terms on pricing plans and renewals shall govern the maximum duration of purchase orders reflecting such pricing plans and renewals.

Timely purchase orders shall be valid through their specified term and performance by the Contractor, and all terms and conditions of the state term or agency contract shall apply to the recurring delivery/performance as provided herein, and shall survive the termination of the Contract.

Ordering offices shall not renew a purchase order issued pursuant to a state term or agency contract if the underlying contract expires prior to the effective date of the renewal.

- 28. Advertising.** Subject to Chapter 119, Florida Statutes, the Contractor shall not publicly disseminate any information concerning the Contract without prior written approval from the Customer, including, but not limited to mentioning the Contract in a press release or other promotional material, identifying the Customer or the State as a reference, or otherwise linking the Contractor's name and either a description of the Contract or the name of the State or the Customer in any material published, either in print or electronically, to any entity that is not a party to Contract, except potential or actual authorized distributors, dealers, resellers, or service representative.
- 29. Assignment.** The Contractor shall not sell, assign or transfer any of its rights, duties or obligations under the Contract, or under any purchase order issued pursuant to the Contract, without the prior written consent of the Customer. In the event of any assignment, the Contractor remains secondarily liable for performance of the contract, unless the Customer expressly waives such secondary liability. The Customer may assign the Contract with prior written notice to Contractor of its intent to do so.
- 30. Antitrust Assignment.** The Contractor and the State of Florida recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the State of Florida. Therefore, the contractor hereby assigns to the State of Florida any and all claims for such overcharges as to goods, materials or services purchased in connection with the Contract.
- 31. Dispute Resolution.** Any dispute concerning performance of the Contract shall be decided by the Customer's designated contract manager, who shall reduce the decision to writing and serve a copy on the Contractor. The decision shall be final and conclusive unless within twenty one (21) days from the date of receipt, the Contractor files with the Customer a petition for administrative hearing. The Customer's decision on the petition shall be final, subject to the Contractor's right to review pursuant to Chapter 120 of the Florida Statutes. Exhaustion of administrative remedies is an absolute condition precedent to the Contractor's ability to pursue any other form of dispute resolution; provided, however, that the parties may employ the alternative dispute resolution procedures outlined in Chapter 120.

Without limiting the foregoing, the exclusive venue of any legal or equitable action that arises out of or relates to the Contract shall be the appropriate state court in Leon County, Florida; in any such action, Florida law shall apply and the parties waive any right to jury trial.

- 32. Employees, Subcontractors, and Agents.** All Contractor employees, subcontractors, or agents performing work under the Contract shall be properly trained technicians who meet or exceed any specified training qualifications. Upon request, Contractor shall furnish a copy of technical certification or other proof of qualification. All employees, subcontractors, or agents performing work under the Contract must comply with all security and administrative requirements of the Customer and shall comply with all controlling laws and regulations

relevant to the services they are providing under the Contract. The State may conduct, and the Contractor shall cooperate in, a security background check or otherwise assess any employee, subcontractor, or agent furnished by the Contractor. The State may refuse access to, or require replacement of, any personnel for cause, including, but not limited to, technical or training qualifications, quality of work, change in security status, or non-compliance with a Customer's security or other requirements. Such approval shall not relieve the Contractor of its obligation to perform all work in compliance with the Contract. The State may reject and bar from any facility for cause any of the Contractor's employees, subcontractors, or agents.

- 33. Security and Confidentiality.** The Contractor shall comply fully with all security procedures of the United States, State of Florida and Customer in performance of the Contract. The Contractor shall not divulge to third parties any confidential information obtained by the Contractor or its agents, distributors, resellers, subcontractors, officers or employees in the course of performing Contract work, including, but not limited to, security procedures, business operations information, or commercial proprietary information in the possession of the State or Customer. The Contractor shall not be required to keep confidential information or material that is publicly available through no fault of the Contractor, material that the Contractor developed independently without relying on the State's or Customer's confidential information, or material that is otherwise obtainable under State law as a public record. To insure confidentiality, the Contractor shall take appropriate steps as to its personnel, agents, and subcontractors. The warranties of this paragraph shall survive the Contract.
- 34. Contractor Employees, Subcontractors, and Other Agents.** The Customer and the State shall take all actions necessary to ensure that Contractor's employees, subcontractors and other agents are not employees of the State of Florida. Such actions include, but are not limited to, ensuring that Contractor's employees, subcontractors, and other agents receive benefits and necessary insurance (health, workers' compensations, and unemployment) from an employer other than the State of Florida.
- 35. Insurance Requirements.** During the Contract term, the Contractor at its sole expense shall provide commercial insurance of such a type and with such terms and limits as may be reasonably associated with the Contract. Providing and maintaining adequate insurance coverage is a material obligation of the Contractor. Upon request, the Contractor shall provide certificate of insurance. The limits of coverage under each policy maintained by the Contractor shall not be interpreted as limiting the Contractor's liability and obligations under the Contract. All insurance policies shall be through insurers authorized or eligible to write policies in Florida.
- 36. Warranty of Authority.** Each person signing the Contract warrants that he or she is duly authorized to do so and to bind the respective party to the Contract.
- 37. Warranty of Ability to Perform.** The Contractor warrants that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish the Contractor's ability to satisfy its Contract obligations. The Contractor warrants that neither it



nor any affiliate is currently on the convicted vendor list maintained pursuant to section 287.133 of the Florida Statutes, or on any similar list maintained by any other state or the federal government. The Contractor shall immediately notify the Customer in writing if its ability to perform is compromised in any manner during the term of the Contract.

- 38. Notices.** All notices required under the Contract shall be delivered by certified mail, return receipt requested, by reputable air courier service, or by personal delivery to the agency designee identified in the original solicitation, or as otherwise identified by the Customer. Notices to the Contractor shall be delivered to the person who signs the Contract. Either designated recipient may notify the other, in writing, if someone else is designated to receive notice.
- 39. Leases and Installment Purchases.** Prior approval of the Chief Financial Officer (as defined in Section 17.001, F.S.) is required for State agencies to enter into or to extend any lease or installment-purchase agreement in excess of the Category Two amount established by section 287.017 of the Florida Statutes.
- 40. Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE).** Section 946.515(2), F.S. requires the following statement to be included in the solicitation: "It is expressly understood and agreed that any articles which are the subject of, or required to carry out, the Contract shall be purchased from the corporation identified under Chapter 946 of the Florida Statutes (PRIDE) in the same manner and under the same procedures set forth in section 946.515(2) and (4) of the Florida Statutes; and for purposes of the Contract the person, firm, or other business entity carrying out the provisions of the Contract shall be deemed to be substituted for the agency insofar as dealings with such corporation are concerned." Additional information about PRIDE and the products it offers is available at <http://www.pridefl.com>.
- 41. Products Available from the Blind or Other Handicapped.** Section 413.036(3), F.S. requires the following statement to be included in the solicitation: "It is expressly understood and agreed that any articles that are the subject of, or required to carry out, this contract shall be purchased from a nonprofit agency for the Blind or for the Severely Handicapped that is qualified pursuant to Chapter 413, Florida Statutes, in the same manner and under the same procedures set forth in section 413.036(1) and (2), Florida Statutes; and for purposes of this contract the person, firm, or other business entity carrying out the provisions of this contract shall be deemed to be substituted for the State agency insofar as dealings with such qualified nonprofit agency are concerned." Additional information about the designated nonprofit agency and the products it offers is available at <http://www.respectofflorida.org>.
- 42. Modification of Terms.** The Contract contains all the terms and conditions agreed upon by the parties, which terms and conditions shall govern all transactions between the Customer and the Contractor. The Contract may only be modified or amended upon mutual written agreement of the Customer and the Contractor. No oral agreements or representations shall be valid or binding upon the Customer or the Contractor. No alteration or modification of the Contract terms, including substitution of product, shall be valid or binding against the Customer. The Contractor may not unilaterally modify the terms of the Contract by affixing

additional terms to product upon delivery (e.g., attachment or inclusion of standard preprinted forms, product literature, “shrink wrap” terms accompanying or affixed to a product, whether written or electronic) or by incorporating such terms onto the Contractor’s order or fiscal forms or other documents forwarded by the Contractor for payment. The Customer’s acceptance of product or processing of documentation on forms furnished by the Contractor for approval or payment shall not constitute acceptance of the proposed modification to terms and conditions.

**43. Cooperative Purchasing.** Pursuant to their own governing laws, and subject to the agreement of the Contractor, other entities may be permitted to make purchases at the terms and conditions contained herein. Non-Customer purchases are independent of the agreement between Customer and Contractor, and Customer shall not be a party to any transaction between the Contractor and any other purchaser.

State agencies wishing to make purchases from this agreement are required to follow the provisions of s. 287.042(16)(a), F.S. This statute requires the Department of Management Services to determine that the requestor’s use of the contract is cost-effective and in the best interest of the State.

**44. Waiver.** The delay or failure by the Customer to exercise or enforce any of its rights under this Contract shall not constitute or be deemed a waiver of the Customer’s right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

**45. Annual Appropriations.** The State’s performance and obligation to pay under this contract are contingent upon an annual appropriation by the Legislature.

**46. Execution in Counterparts.** The Contract may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**47. Severability.** If a court deems any provision of the Contract void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.

**ATTACHMENT 5  
AGENCY PARTICIPATION  
AGREEMENT BETWEEN**

**NIC SERVICES, LLC  
and**

---

This Participation Agreement, effective as of the date last signed below, is entered into between NIC Services, LLC (Contractor), and \_\_\_\_\_ (Participant), an Agency Participant, in accordance with the contract (No. TR227) entered into between the Contractor and the Department of Financial Services (Department), together with the attachments thereto (e-Payment Collection and Processing Services Contract).

**I. PARTICIPATION TERMS AND CONDITIONS**

- A. Capitalized terms used in this Participation Agreement, other than those specifically defined herein, have the meanings prescribed in the e-Payment Collection and Processing Services Contract's Attachment 2, Statement of Work.
- B. By signing this Participation Agreement, the Participant and the Contractor agree to be bound by the terms of this Participation Agreement and the e-Payment Collection and Processing Services Contract in the performance of their obligations. By signing below, the Participant represents that a copy of the e-Payment Collection and Processing Services Contract has been provided or made available to it. The Participant further represents that it agrees to be bound by the terms of the Agency Participant Sub-Merchant Processing Agreement (No. TR226) as a Sub-Merchant and that it will comply with all of its obligations under that agreement.
- C. The Participant hereby authorizes the Contractor to share with the Department any and all information (excluding a Customer's personally identifiable information) that the Contractor has or obtains pursuant to this Participation Agreement or the e-Payment Collection and Processing Services Contract.

**II. PARTICIPANT'S INFORMATION**

Any material provided by the Participant that is marked "Confidential" may only be used by the Contractor, Payment Card Organizations, or other necessary third parties to perform services under this Participation Agreement. At any reasonable time, the Contractor or any Payment Card Organization may audit the Participant's records relating to this Participation Agreement.

### **III. FEES TO BE PAID TO CONTRACTOR**

Pricing for the services provided hereunder is set forth in the e-Payment Collection and Processing Services Contract's Attachment 3, Price Response. In accordance with the terms set forth in the e-Payment Collection and Processing Services Contract, invoicing will occur monthly.

### **IV. EFFECTIVE DATE AND TERMINATION**

- A. Unless terminated earlier by either party, this Participation Agreement will remain in full force and effect until the earlier of (i) termination, cancellation, or expiration of the e- Payment Collection and Processing Services Contract or (ii) any date provided here:  
\_\_\_\_\_.
- B. Subject to the Department's approval, which must be obtained in accordance with the requirements of section 215.322, F.S., the Participant may terminate this Participation Agreement at any time by giving the Contractor ninety (90) days' written notice. The Participant may also terminate this Participation Agreement after a default by the Contractor, as provided in the e-Payment Collection and Processing Services Contract.

### **V. NOTICES AND REQUESTS**

- A. See Section 40, Notices, of the e-Payment Collection and Processing Services Contract's Attachment 1, Standard Terms and Conditions, for details pertinent to the provision of "written notices" or notices "given in writing."
- B. Routine notices required by Addendum C, Selected Portions of the Contractor's BAFO, may be delivered by e-mail to the e-mail address specified in the addendum or, if not so specified therein, specified by the Contract Manager of the party receiving the notice.
- C. The Participant shall submit all requests for new services or POS equipment or supplies, for replacement POS equipment or supplies, or for short-term rental of POS equipment to the Department's Contract Manager via e-mail. If approved, the Department will initiate the request to the Contractor on behalf of the Participant.
- D. If the Participant has grounds for any claim, counterclaim, or dispute related to this Participation Agreement, it shall notify the Department so that the Department can proceed with the process outlined in Section 8, Dispute Resolution, of the e-Payment Collection and Processing Services Contract's Attachment 1, Standard Terms and Conditions. The Participant shall provide the Department with all information and assistance necessary to complete said process.
- E. The Participant shall copy the Department on all e-mails to the Contractor related to the

Participant's transition during the Project.

## VI. MISCELLANEOUS PROVISIONS

- A. This Participation Agreement, incorporating the terms of both the e-Payment Collection and Processing Services Contract and the Agency Participant Sub-Merchant Processing Agreement, contains the entire understanding of the parties and supersedes any and all previous discussions, proposals, or agreements, if any, between the parties with respect to the subject matter hereof.
- B. This Participation Agreement may not be amended except by an instrument in writing signed by an authorized representative of each party.
- C. This Participation Agreement is binding on the parties and their successors and assigns.
- D. All implementation and testing will be completed prior to the Participant's Go-Live date, which will be specified on the Participant's Implementation Plan.
- E. In the event that the Contractor is liable for damages under the e-Payment Collection and Processing Services Contract that exceed the Contractor's cap on liability set forth in that contract, such damages will be paid out to the affected Participants proportionally based on the damages to each Participant as directed by the Department.
- F. The Participant's liability to the Contractor under this Participation Agreement is set forth in Section 15, Limitation of Liability, of the e-Payment Collection and Processing Services Contract's Attachment 1, Standard Terms and Conditions. The Participant's liability to Contractor's Service Providers under this Participation Agreement is set forth in Section 9, Warranties; Exclusion of Consequential Damages; Limitation on Liability, of the Agency Participant Sub-Merchant Processing Agreement.

## VII. PARTICIPANT'S CONTRACT MANAGER

Changes to the name or contact information of the Contract Manager listed below will be made in accordance with Section 2.c., Contract Managers, of the e-Payment Collection and Processing Services Contract's Attachment 1, Standard Terms and Conditions.

### Participant's Contract Manager:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Phone \_\_\_\_\_  
Fax \_\_\_\_\_

\_\_\_\_\_

e-mail

\_\_\_\_\_

### VIII. PUBLIC RECORDS

The following information is provided in accordance with section 119.0701, F.S.:

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, F.S., TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE PARTICIPATION AGREEMENT, CONTACT PUBLIC RECORDS AT:**

**Telephone:** [Participant's public records phone number]  
**Email:** [Participant's public records e-mail]  
**Mailing Address:** [Participant's public records mailing address]

**Participant's Name:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Contractor's Name:** NIC Services, LLC

**By:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**ATTACHMENT 6  
LOCAL GOVERNMENT PARTICIPATION AGREEMENT  
BETWEEN**

**NIC SERVICES, LLC  
and**

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This Participation Agreement, effective as of the date last signed below, is entered into between NIC Services, LLC (Contractor) and \_\_\_\_\_ (Participant), a Local Government Participant, in accordance with the contract (No. TR227) entered into between the Contractor and the Department of Financial Services (Department), together with the attachments thereto (e-Payment Collection and Processing Services Contract).

**I. PARTICIPATION TERMS AND CONDITIONS**

- A. Capitalized terms used in this Participation Agreement, other than those specifically defined herein, have the meanings prescribed in the e-Payment Collection and Processing Services Contract's Attachment 2, Statement of Work.
- B. By signing this Participation Agreement, the Participant and the Contractor agree to be bound by the terms of this Participation Agreement and the e-Payment Collection and Processing Services Contract in the performance of their obligations, except as outlined in Section VII., Miscellaneous Provisions, below. By signing below, the Participant represents that a copy of the e-Payment Collection and Processing Services Contract has been provided or made available to it.
- C. By signing this Participation Agreement, the Participant and Contractor also agree to contemporaneously enter into the Local Government Participant Sub-Merchant Processing Agreement in substantially the same form included in Addendum C, Relevant Portions of the BAFO, with the Contractor's processor and the Sponsoring Bank.

**II. PARTICIPANT'S INFORMATION**

Any material provided by the Participant that is marked "Confidential" may only be used by the Contractor, Payment Card Organizations, or other necessary third parties to perform services under this Participation Agreement. At any reasonable time, the Contractor or any Payment Card Organization may audit the Participant's records relating to this Participation Agreement.

**III. FEES TO BE PAID TO CONTRACTOR**

Pricing for the services provided hereunder is set forth in the e-Payment Collection and Processing Services Contract's Attachment 3, Price Response. In accordance with the terms set forth in the e-Payment Collection and Processing Services Contract, invoicing will occur monthly.

#### **IV. EFFECTIVE DATE AND TERMINATION**

- A. Unless terminated earlier by either party, this Participation Agreement will remain in full force and effect until the earlier of (i) termination, cancellation, or expiration of the e-Payment Collection and Processing Services Contract or (ii) any date provided here:  
\_\_\_\_\_.
- B. The Participant may terminate this Participation Agreement at any time by giving the Contractor ninety (90) Calendar Days' written notice. The Participant may also terminate this Participation Agreement after a default by the Contractor, as provided in the e-Payment Collection and Processing Services Contract.

#### **V. NOTICES AND REQUESTS**

- A. See Section 40, Notices, of the e-Payment Collection and Processing Services Contract's Attachment 1, Standard Terms and Conditions, for details pertinent to the provision of "written notices" or notices "given in writing."
- B. Routine notices required by Addendum C, Selected Portions of the Contractor's BAFO, may be delivered by e-mail to the e-mail address specified in the addendum or, if not so specified therein, specified by the Contract Manager of the party receiving the notice.
- C. If the Participant has grounds for any claim, counterclaim, or dispute related to this Participation Agreement, it shall notify the Department so that the Department can proceed with the process outlined in Section 8, Dispute Resolution, of the e-Payment Collection and Processing Services Contract's Attachment 1, Standard Terms and Conditions. The Participant shall provide the Department with all information and assistance necessary to complete said process.

#### **VI. MISCELLANEOUS PROVISIONS**

- A. This Participation Agreement, incorporating the terms of the e-Payment Collection and Processing Services Contract, contains the entire understanding of the parties and supersedes any and all previous discussions, proposals, or agreements, if any, between the parties with respect to the subject matter hereof.
- B. This Participation Agreement may not be amended except by an instrument in writing signed by an authorized representative of each party.
- C. This Participation Agreement is binding on the parties and their successors and assigns.
- D. All implementation and testing will be completed prior to the Participant's Go-Live Date, which will be specified on the Participant's Implementation Plan.
- E. In the event that the Contractor is liable for damages under the e-Payment Collection and



Processing Services Contract that exceed the Contractor’s cap on liability set forth in that contract, such damages will be paid out to the affected Participants proportionally based on the damages to each Participant as directed by the Department.

F. The Participant’s liability under this Participation Agreement is set forth in Section 15, Limitation of Liability, of the e-Payment Collection and Processing Services Contract’s Attachment 1, Standard Terms and Conditions. The Participant’s liability to Contractor’s Service Providers under this Participation Agreement is set forth in Section 9, Warranties; Exclusion of Consequential Damages; Limitation on Liability, of the Local Government Participant Sub-Merchant Processing Agreement.

G. Because the Participant is a Local Government Participant, the following terms and conditions of the e-Payment Collection and Processing Services Contract conflict with State law and do not apply to this Participation Agreement:

[The Participant should list each section of the Contract that conflicts with its governing law here and following that citation, provide a citation to the statute that governs or provide alternative language that resolves the conflict. For example, the Local Government Participant likely pays invoices in accordance with Part VII of chapter 218, F.S., instead of section 215.422, F.S.]

### VII. PARTICIPANT’S CONTRACT MANAGER

Changes to the name or contact information of the Contract Manager listed below will be made in accordance with Section 2.c., Contract Managers, of the e-Payment Collection and Processing Services Contract’s Attachment 1, Standard Terms and Conditions.

#### Participant’s Contract Manager:

Name	_____
Address	_____
City, State, Zip	_____
Phone	_____
Fax	_____
e-mail	_____

### VIII. PUBLIC RECORDS

The following information is provided in accordance with section 119.0701, F.S.:

**IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, F.S., TO THE CONTRACTOR’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE PARTICIPATION AGREEMENT, CONTACT PUBLIC RECORDS AT:**

**Telephone:** [Participant’s public records phone number]  
**Email:** [Participant’s public records e-mail]

**Mailing Address:** [Participant's public records mailing address]

**Participant's Name:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Contractor's Name:** NIC Services, LLC

**By:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**DEPARTMENT OF FINANCIAL SERVICES**  
**Public Records Requirements**  
**Addendum A**

**1. Public Records Access Requirements.**

- a. If the Contractor is acting on behalf of the Department in its performance of services under the Contract (or a Participant under a Participation Agreement), the Contractor must allow public access to all documents, papers, letters, or other material, regardless of the physical form, characteristics, or means of transmission, made or received by the Contractor in conjunction with the Contract (or Participation Agreement) (Public Records), unless the Public Records are exempt from public access pursuant to section 24(a) of Article I of the Florida Constitution or section 119.07(1), F.S.
- b. The Department may unilaterally terminate the Contract if the Contractor refuses to allow public access to Public Records as required by law. A Participant may unilaterally terminate its own Participation Agreement if the Contractor refuses to allow public access to Public Records as required by law.

**2. Public Records Requirements Applicable to All Contractors.**

- a. For purposes of the Contract, the Contractor is responsible for becoming familiar with Florida's Public Records law, consisting of chapter 119, F.S., section 24(a) of Article I of the Florida Constitution, or other applicable state or federal law (Public Records Law).
- b. All requests to inspect or copy Public Records relating to the Contract or a Participation Agreement must be made directly to the Department or Participant, as applicable. Notwithstanding any provisions to the contrary, disclosure of any records made or received by the State in conjunction with the Contract or a Participation Agreement is governed by Public Records Law.
- c. If the Contractor has a reasonable, legal basis to assert that any portion of any records submitted to the Department or a Participant is confidential, proprietary, trade secret, or otherwise not subject to disclosure ("Confidential" or "Trade Secret") under Public Records Law or other authority, the Contractor must simultaneously provide the Department or Participant, as applicable, with a separate redacted copy of the records the Contractor claims as Confidential or Trade Secret and briefly describe in writing the grounds for claiming exemption from the Public Records Law, including the specific statutory citation for such exemption. The un-redacted copy of the records shall contain the Contract name and number, and shall be clearly labeled "Confidential" or "Trade Secret." The redacted copy of the records should only redact those portions of the records that the Contractor claims are Confidential or Trade Secret. If the Contractor fails to submit a redacted copy of records it claims are Confidential or Trade Secret, such action may constitute a waiver of any claim of confidentiality.
- d. If the Department or a Participant receives a Public Records request, and if records that have been marked as "Confidential" or "Trade Secret" are responsive to such request, the Department or Participant shall provide the Contractor-redacted copies to the requester. If a requester asserts a right to the portions of records claimed as Confidential or Trade Secret, the Department or Participant shall notify the Contractor that such an assertion has been made. It is the Contractor's responsibility to assert that the portions of records in question are exempt from disclosure under Public Records Law or other authority. If the Department or Participant becomes subject to a demand for discovery or disclosure of the portions of records the Contractor claims as Confidential or Trade Secret in a legal proceeding, the Department or Participant shall give the Contractor prompt notice of the demand, when possible, prior to releasing the portions of records the Contractor claims as Confidential or Trade Secret (unless disclosure is otherwise prohibited by applicable law). The Contractor shall be responsible for defending its determination that the redacted portions of its records are Confidential or Trade Secret. No right or remedy for damages against the Department or Participant arises from any disclosure made by the Department or Participant based on

the Contractor's failure to promptly legally protect its claim of exemption and commence such protective actions within ten days of receipt of such notice from the Department or Participant.

- e. If the Contractor claims that the records are "Trade Secret" pursuant to section 624.4213, F.S., and all the requirements of section 624.4213(1), F.S., are met, the Department or Participant will respond to the Public Records Request in accordance with the provisions specified in that statute.
- f. The Contractor shall ensure that exempt or confidential and exempt Public Records are not disclosed except as permitted by the Contract and any applicable Participation Agreement, or by Public Records Law.

**3. Additional Public Records Duties of Section 119.0701, F.S., If Applicable.**

If the Contractor is a "contractor" as defined in section 119.0701(1)(a), F.S., the Contractor shall:

- (1) Keep and maintain Public Records required by the Department or Participant to perform the service.
- (2) Upon request by the Department or a Participant, provide a copy of requested Public Records or allow the Public Records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in chapter 119, F.S., or as otherwise provided by law.
- (3) Ensure that Public Records that are exempt or confidential and exempt from Public Records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term (or for records related to a Participation Agreement, the Participation Agreement term) and following completion of the Contract (or Participation Agreement) if the Contractor does not transfer the Public Records to the Department (or Participant).
- (4) Upon completion of the Contract, transfer, at no cost, to the Department all Public Records in possession of the Contractor related to the Contract (and upon completion of a Participation Agreement, transfer to the Participant all Public Records related to the Participation Agreement) or keep and maintain Public Records required by the Department (or Participant) to perform the service. If the Contractor transfers all Public Records to the Department (or Participant) upon completion of the Contract (or Participation Agreement), the Contractor shall destroy any duplicate Public Records that are exempt or confidential and exempt from Public Records disclosure requirements. If the Contractor keeps and maintains Public Records upon completion of the Contract (or Participation Agreement), the Contractor shall meet all applicable requirements for retaining Public Records. Upon request from the Department's or Participant's custodian of Public Records, the Contractor must provide all Public Records stored electronically in a format specified by the Department or Participant as compatible with the information technology systems of the Department or Participant. These formatting requirements are satisfied by using the data formats as authorized in the Contract or Microsoft Word, Outlook, Adobe, or Excel, and any software formats the Contractor is authorized to access.

**(5) IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, F.S., TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE CONTRACT, CONTACT PUBLIC RECORDS AT:**

**Telephone:** (850) 413-3149  
**Email:** [PublicRecordsInquiry@myfloridacfo.com](mailto:PublicRecordsInquiry@myfloridacfo.com)  
**Mailing Address:** The Department of Financial Services  
Office of the General Counsel, Public Records  
200 E. Gaines Street, Larson Building  
Tallahassee, Florida 32399-0311

A Contractor who fails to provide the Public Records to the Department or Participant within a reasonable time may be subject to penalties under section 119.10, F.S.

**4. Additional Covenants.**

- a. Except as required pursuant to applicable law, the Department and Participants shall not disclose the Contractor's Confidential Information or information marked Confidential or Trade Secret to any third party.
- b. To the extent any State Data or Confidential Information of the Department or a Participant is required to be disclosed by the Contractor pursuant to applicable law or legal process, including pursuant to a subpoena, the Contractor will notify the Department or Participant, as applicable, to give the Department or Participant reasonable opportunity to protect such information, to the extent permitted by such law or legal process. Thereafter, the Contractor will be permitted to provide the information required by applicable law or legal process.

**DEPARTMENT OF FINANCIAL SERVICES**  
**Data Security Requirements**

**Addendum B**

**1. Data Security, Recovery, and Damages for Non-Performance.**

1) Data Security. The Contractor and all Contractor Representatives (as defined in Attachment 1, Standard Terms and Conditions) shall comply with Rule Chapter 60GG-2, Florida Administrative Code (F.A.C.), which: contains information technology (IT) procedures; and 2) requires adherence to the Department's security policies in performance of this Contract and to the Participant's security policies in performance of a Participation Agreement. The Contractor shall provide immediate notice to the Department's Information Security Office (ISO), within the Office of Information Technology: 1) in the event it becomes aware of any security breach or any unauthorized transmission or loss of any or all of the data collected, created for, or provided by the Department or a Participant (State Data); and 2) of any allegation or suspected violation of Rule Chapter 60GG-2, F.A.C. Except as required by law or legal process, and, with respect to the Department's information, after notice to the Department (or, with respect to a Participant's information, to the Participant), the Contractor shall not divulge to third parties any Confidential Information obtained by the Contractor or Contractor Representatives in the course of performing Contract or Participation Agreement work according to applicable rules, including, but not limited to, Rule Chapter 60GG-2, F.A.C. "Confidential Information" means information in the possession or under the control of the state of Florida (State) (which includes Participants) or the Contractor that is exempt from public disclosure pursuant to chapter 119, Florida Statutes (F.S.), or to any other applicable provision of State or federal law that serves to exempt information from public disclosure. This includes, but is not limited to, the security procedures, business operations information, or commercial proprietary information. The Contractor will not be required to keep confidential any information that is publicly available through no fault of the Contractor, material that the Contractor developed independently without relying on the State's Confidential Information, or information that is otherwise obtainable under State law as a public record. If State Data will reside in the Contractor's system, the Contractor will conduct at the Contractor's expense, an annual network penetration test or security audit of the Contractor's system(s) on which State Data resides and will share the results with the State upon request.

b. Data Protection. No State Data will be transmitted, processed, or stored outside of the United States of America regardless of method, except as required by law. Access to the Department's State Data will only be available to staff approved and authorized by the Department that have a legitimate business need. Access to a Participant's State Data will only be available to staff approved and authorized by the Participant that have a legitimate business need. Access to State Data does not include remote support sessions for devices that might contain the State Data; however, during the remote support session the Contractor must escort the remote support access and maintain visibility of the support personnel's actions. Requests for remote access to the Department's systems will be submitted to the Department's Help Desk. Requests for remote access to a Participant's systems will be submitted to the Participant. With approval, third parties may be granted time-limited terminal service access to IT resources as necessary for fulfillment of related responsibilities. Remote connections are subject to detailed monitoring via two-way log reviews and the use of other tools. When remote access is no longer needed, the Department or Participant, as applicable, must be promptly notified and access will be promptly removed.

c. Encryption and Remote Access. The Contractor shall encrypt all data transmissions containing Confidential Information utilizing a protocol approved by the Department.

- d. Breach and Negligence. The Contractor agrees to protect, indemnify, defend, and hold harmless the Department and Participants from and against any and all costs, claims, demands, damages, losses, and liabilities arising from or in any way related to the Contractor's breach of this Section 1 or the negligent acts or omissions of the Contractor related to this addendum.
- e. Separate Security Requirements. Any Criminal Justice Information Services-specific and/or Health Information Portability and Accountability Act-specific security requirements are attached in a separate addendum, if applicable.
- f. Ownership of State Data. The Department's State Data will be made available to the Department upon its request, in the form and format reasonably requested by the Department. A Participant's State Data will be made available to the Participant upon its request, in the form and format reasonably requested by the Participant. Title to all of the Department's State Data will remain property of the Department and/or become property of the Department upon receipt and acceptance. Title to all of a Participant's State Data will remain property of the Participant and/or become property of the Participant upon receipt and acceptance. Notwithstanding the foregoing, for purposes of this Section 1.f, any fields used for authentication for services shall be excluded from the definition of State Data for security purposes. The Contractor shall not possess or assert any lien or other right against or to any State Data in any circumstances.

**2. Data Access.**

- a. Background Checks. All Contractor personnel, or Contractor Representative personnel, who will have direct query access to State Data will undergo the background checks described in Attachment 2, Statement of Work.
- b. Cooperation with the State and Third Parties. The Contractor agrees to cooperate with the following entities: (i) the State; (ii) the State's other contractors; (iii) the State's agents, including properly authorized governmental entities; (iv) the State's authorized third parties, such as technology staff under contract with the State; and (v) other properly authorized individuals who directly or indirectly access State Data on behalf of any of the entities listed in this section. The Contractor shall also provide reasonable access to the Contractor Representatives and the Contractor's Contract systems and facilities to these same entities, when reasonably requested by the Department or Participant, subject to reasonable security and access requirements of the Contractor. The Contractor agrees to impose these same requirements on all subcontractors performing the work of this Contract.

**DEPARTMENT OF FINANCIAL SERVICES**  
**Selected Portions of the BAFO**

**Addendum C**



## AGENCY PARTICIPANT SUB-MERCHANT PROCESSING AGREEMENT

NIC Services, LLC (**Payment Facilitator**), First Data Merchant Services LLC (**Provider**), and Wells Fargo Bank, N.A. (**Bank**, and together with Provider, **Servicers**), will provide Agency Participant (**Sub-Merchant**) with certain Card processing services. Capitalized terms used in this Agreement are defined in Appendix 1.

The Department of Financial Services (**Department**) is entering into this agreement on behalf of all Agency Participants that elect to participate in the e-Payment Collection and Processing Services Contract (the **Master Contract**), which was entered into between the Department and Payment Facilitator, in order to accept payments by credit card, charge card, and debit card, as authorized by section 215.322, Florida Statutes (F.S.). **For the avoidance of doubt, the terms of this Agreement apply to each Agency Participant individually, and the Department is not subject to these terms except in its capacity as an Agency Participant.**

By entering into this Agency Participant Sub-Merchant Processing Agreement (the **Agreement**), Sub-Merchant agrees to comply with the (1) Network Rules as they pertain to Card information it receives through the Payment Facilitator service and (2) Your Payments Acceptance Guide to the extent applicable to Sub-Merchant. Servicers and Payment Facilitator understand and agree that Sub-Merchant and Payment Facilitator have entered into a shared responsibility model service agreement and in some cases, Payment Facilitator will be performing these compliance items on behalf of the Sub-Merchant. As between Sub-Merchant and Servicers, Sub-Merchant is still obligated to ensure compliance and Servicers will hold Sub-Merchant responsible for such performance.

### **1. Acceptance of Cards**

Sub-Merchant agrees to comply with Your Payments Acceptance Guide, to the extent applicable to Sub-Merchant, and all Network Rules, as such may be changed from time to time. Sub-Merchant understands that Servicers may be required to modify Your Payments Acceptance Guide and the Agreement from time to time in order to comply with requirements imposed by the Networks. Servicers may change the Your Payment Acceptance Guide by providing Sub-Merchant with thirty (30) days' prior written notice of the change. Changes to this Agreement must be effectuated by a written amendment entered into between the parties. However, changes required by the Networks will be effective immediately or as required by the Networks, whichever is later.

In offering payment options to customers, Sub-Merchant will accept all types of Visa and/or Mastercard cards, including consumer credit and debit/check cards and commercial credit and debit/check cards. If Sub-Merchant chooses to limit the types of cards it accepts, it must comply with Network Rules and display appropriate signage to indicate acceptance of the limited acceptance category selected.

For recurring transactions, Sub-Merchant must obtain a written request or similar authentication from Sub-Merchant's customer for the goods and/or services to be charged to the customer's account, specifying the frequency of the recurring charge and the duration of time during which such charges may be made.

### **2. Settlement**

Upon Servicers' receipt of the Transaction Data for Card transactions, Servicers will process the Transaction Data to facilitate the funds transfer from the various Networks for the Card sales. After Servicers receive credit for such Transaction Data, subject to Servicers' other rights under this Agreement, Servicers will provide provisional credit to Sub-Merchant's Settlement Account, which is subject to adjustment as provided by this Agreement and the Network Rules.

Sub-Merchant must not submit transactions for payment until the services are performed. If the Cardholder disputes being charged for merchandise or services before receiving them, a Chargeback may result.

### **3. Chargebacks**

Chargebacks can be received for a number of reasons. The following are some of the most common reasons for Chargebacks: (1) a refund is not issued to a customer upon the return or non-delivery of goods or services; (2) an authorization/approval code was required and not obtained; (3) the Transaction was allegedly fraudulent; (4) the customer disputes the Card sale or the signature on the sale documentation or claims that the sale is subject to a set-off, defense, or counterclaim; or (5) the customer refuses to make payment for a Card sale because, in the customer's good faith opinion, a claim or complaint has not been resolved or has been resolved but in an unsatisfactory manner. Chargebacks shall be debited from Sub-Merchant's Settlement Account.

#### **4. Fees**

Sub-Merchant will pay Payment Facilitator as set forth in the Master Contract. For the avoidance of doubt, Sub-Merchant will not pay any fees to Servicers for their services under this Agreement. Payment Facilitator will pay Servicers in accordance with the Payment Facilitator Addendum to the Bankcard Addendum to the Master Services Agreement among Payment Facilitator and Servicers (**PFAC Agreement**).

#### **5. Reserve** *[Intentionally omitted]*

#### **6. Financial Information**

Sub-Merchant will promptly provide Servicers with its Comprehensive Annual Financial Report upon request. Further, upon request, Sub-merchant will provide financial statements or other information requested by legal and regulatory authorities or the Networks. Sub-Merchant will also provide other information concerning Sub-Merchant's compliance with the terms and provisions of this Agreement as Servicers may reasonably request.

#### **7. Data Security and Privacy**

In the event that Sub-Merchant receives Card information (such as the cardholder's account number, expiration date, and CVV2) in connection with the processing services provided under this Agreement, Sub-Merchant agrees that it will not use Card information for any fraudulent purpose or in violation of any Network Rules, including but not limited to Payment Card Industry Data Security Standards (**PCI DSS**) or applicable law. If at any time Sub-Merchant believes that Card information has been compromised, Sub-Merchant must notify Provider and Payment Facilitator promptly, and Sub-Merchant and Payment Facilitator must provide notice to the proper parties in accordance with the Master Contract's Attachment 2, Statement of Work, Section 10.3, Core Platform and Security Breach. Sub-Merchant must ensure Sub-Merchant's compliance, and that of any third party service provider utilized by Sub-Merchant, with all security standards and guidelines that are applicable to it and published from time to time by Visa, Mastercard, or any other Network, including, without limitation, the Visa U.S.A. Cardholder Information Security Program (**CISP**), the Mastercard Site Data Protection (**SDP**), and (where applicable), the PCI Security Standards Council, Visa, and Mastercard PA-DSS (**Payment Application Data Security Standards**) (collectively, the **Security Guidelines**). If any Network requires an audit of Sub-Merchant due to a data security compromise event or suspected event, Sub-Merchant agrees to cooperate with such audit. Sub-Merchant may not use any Card information other than for the sole purpose of completing the Transaction authorized by the customer for which the information was provided to Sub-Merchant or as specifically allowed by Network Rules, Your Payments Acceptance Guide, or required by law.

#### **8. Term; Events of Default**

This Agreement shall be in effect upon signing by all parties and shall remain effective through termination of the Master Contract.

If any of the following events shall occur (each an **Event of Default**):

- (i) a material adverse change in Sub-Merchant's financial condition; or
- (ii) irregular Card sales by Sub-Merchant, excessive Chargebacks (as determined by the Networks), noncompliance with any applicable data security standards, as determined by Servicers, of any Network, or

any other entity, or an actual or suspected data security breach, or any other circumstances which, in Servicer's sole discretion, may increase Servicer's exposure for Sub-Merchant's Chargebacks or otherwise present a financial or security risk to Servicers; or

- (iii) any of Sub-Merchant's conditions, covenants, obligations, or representations or warranties in this Agreement are breached in any material respect or are incorrect in any material respect when made or deemed to be made; or
- (iv) Sub-Merchant shall file a petition or have a petition filed by another party under the Bankruptcy Code or any other laws relating to bankruptcy, insolvency or similar arrangement for adjustment of debts; consent to or fail to contest in a timely and appropriate manner any petition filed against Sub-Merchant in an involuntary case under such laws; apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its property; or make a general assignment for the benefit of creditors; or take any corporate action for the purpose of authorizing any of the foregoing; or
- (v) a violation by Sub-Merchant of any applicable law or Network Rule or Servicers' reasonable belief that termination of this Agreement or suspension of services is necessary to comply with any law, including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the US Department of the Treasury, or Sub-Merchant's breach, as determined by Servicers, of its requirement to comply with all applicable laws

then, upon the occurrence of (1) an Event of Default specified in subsections (ii), (iii), or (v), Servicers shall provide Sub-Merchant and Payment Facilitator with notice and an opportunity to cure within thirty (30) calendar days, after which Servicers may consider this Agreement to be terminated immediately, without additional notice, and (2) any other Event of Default, Servicers shall provide Sub-Merchant and Payment Facilitator with notice and an opportunity to cure within forty-five (45) calendar days, after which this Agreement may be terminated by Servicers giving not less than ten (10) days' notice to Sub-Merchant and Payment Facilitator; provided, however, that the thirty (30) day notice period set forth in (1) and the forty-five (45) day notice period set forth in (2) of this section shall not apply in any instance where the Networks or legal authorities require Servicers to terminate without such notice periods.

Neither the expiration nor termination of this Agreement shall terminate the obligations and rights of the parties pursuant to provisions of this Agreement which by their terms are intended to survive or be perpetual or irrevocable. Such provisions shall survive the expiration or termination of this Agreement.

If any Event of Default shall have occurred and regardless of whether such Event of Default has been cured, Servicers may, in Servicers' sole discretion, exercise all of Servicers' rights and remedies under applicable law and this Agreement other than the right to terminate, which shall only be exercised as stated above.

The Networks often maintain lists of merchants who have had their merchant agreements or Card acceptance rights terminated for cause. If this Agreement is terminated for cause, Sub-Merchant acknowledges that Servicers may be required to report its business name and the names and other information regarding its principals to the Networks for inclusion on such list(s). However, in the event that this Agreement is terminated for cause based solely on Payment Facilitator's action or failure to act, Servicers will not provide Sub-Merchant's information to the Networks unless otherwise required by the Networks. Sub-Merchant expressly agrees and consents to such reporting if Sub-Merchant is terminated as a result of the occurrence of an Event of Default or for any reason specified as cause by the Networks. Furthermore, Sub-Merchant agrees to waive and hold Servicers harmless from and against any and all claims which Sub-Merchant may have as a result of such reporting.

Servicers may terminate this Agreement at any time and for any or no reason upon the provision of sixty (60) calendar days' prior notice. Servicers may also temporarily suspend or delay payments to Sub-Merchant during a fraud event or as required by legal authorities or the Network.

The Department may terminate this Agreement at any time for any or no reason, upon the provision of sixty (60) calendar days' prior notice. Additionally, if the Master Contract is terminated for any reason, this Agreement will also be terminated. For the avoidance of doubt, Sub-Merchant's obligation to pay under the Master Agreement and to perform under this Agreement is contingent upon an annual appropriation by the Legislature.

If this Agreement is terminated, all amounts payable under this Agreement shall be immediately due and payable in accordance with section 215.422, F.S., in full without demand or other notice of any kind, all of which are expressly waived by Sub-Merchant, and the obligations to pay for obligations associated with transactions Sub-Merchant submits to Servicers shall survive termination of this Agreement.

#### **9. Warranties; Exclusion of Consequential Damages; Limitation on Liability**

This Agreement and any addenda is an agreement for services and except as expressly provided in this Agreement, and any addenda, Servicers and Servicers' Affiliates disclaim all representations or warranties, express or implied, made to Sub-Merchant or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise (regardless of any course of dealing, custom, or usage of trade) of any services or any goods provided incidental to the Services provided under this Agreement.

Notwithstanding anything in this Agreement and any addenda to the contrary, in no event shall Servicers and Servicers' Affiliates be liable under any theory of tort, contract, strict liability, or other legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is hereby excluded by agreement of the parties, regardless of whether such damages were foreseeable or whether any party or any entity has been advised of the possibility of such damages.

Notwithstanding anything in this Agreement and any addenda to the contrary, Servicers and Servicers' Affiliates' cumulative liability, in the aggregate, to the Sub-Merchant (inclusive of any and all claims made by Sub-Merchant against Servicers and/or Servicers' Affiliates, whether related or unrelated) for all losses, claims, suits, controversies, breaches, or damages for any cause whatsoever (including, but not limited to, those arising out of or related to this Agreement and any addenda) and regardless of the form of action or legal theory, shall not exceed the lesser of (i) \$100,000; or (ii) the amount of fees received by Servicers from Payment Facilitator under the PFAC Agreement for services performed pursuant to this Agreement in the immediately preceding 12 months.

Payment Facilitator is providing services under this Agreement to effectuate its provision of a larger scope of services provided for in the Master Contract. Therefore, Sub-Merchant, in addition to all rights and remedies available to it at law, has all rights and remedies against Payment Facilitator available to it under the Master Contract, and Payment Facilitator's liability to Sub-Merchant is limited only to the extent limited in the Master Contract.

Sub-Merchant shall be responsible for losses, damages, costs, or expenses arising or resulting from (i) Sub-Merchant's misrepresentation or breach of warranty, covenant, or any provision under this Agreement; or (ii) Sub-Merchant's or Sub-Merchant's employees'/agents' fraud, gross negligence, willful misconduct or failure to comply with applicable law and this Agreement. Sub-Merchant is responsible for reimbursing Payment Facilitator for applicable Network fines and assessments pursuant to the Master Contract; however, if Sub-Merchant fails to reimburse Payment Facilitator for fines and assessments resulting from a failure to comply with applicable Network Rules, Servicers may directly collect such amounts from Sub-Merchant. Other than the liability associated with reimbursement for Network fines and assessments, Sub-Merchant's liability for any claim arising from this Agreement is limited to compensatory damages no greater than \$100,000.00 or 10% of the average annual amount paid to Servicers to provide the services outlined in this Agreement, whichever is less. In the event that Sub-Merchant is liable for a claim within the first year of this Agreement, the average annual amount will be determined by averaging the monthly amount paid to Servicers to provide the services outlined in this Agreement and multiplying it by twelve (12).

#### **10. Confidentiality**

Servicers and Sub-Merchant acknowledge and agree that the other(s) may be providing to it, and that it may become aware of, information of the other(s) that is confidential, trade secret, or otherwise not subject to disclosure under chapter 119, F.S., or other Florida or federal law, including, but not limited to, financial information and other information related to Servicers' and Sub-Merchant's business operations (**Confidential Information**). Servicers and Sub-Merchant agree that they will maintain the confidentiality of such Confidential Information, and they shall not disclose any such Confidential Information to any other person or entity (other than to their employees, agents, contractors, representatives, and Affiliates to whom disclosure is reasonably necessary in furtherance of the

performance of this Agreement), except as required by law. In the event disclosure of any Servicer Confidential Information is required by law, Sub-Merchant shall provide Servicers with prompt notice thereof, unless prohibited by law or court order, so that Servicers may seek an appropriate protective order or other remedy. Notwithstanding the foregoing, the requirements of non-disclosure shall not apply to any information which: (a) at the time of disclosure is already in the possession of the receiving party; (b) is independently developed by the receiving party without reliance on the disclosed Confidential Information; (c) is or becomes publicly available through no wrongdoing of the receiving party; or (d) becomes available to the receiving party on a non-confidential basis from a person, other than the disclosing party, who is not bound by a confidentiality obligation or otherwise restricted from transmitting the information to the receiving party. Furthermore, this section shall not prohibit the receiving party from making legally required disclosures pursuant to subpoena, court order, or the order of any other authority having jurisdiction; provided that, the receiving party shall provide the disclosing party with prompt notice, unless prohibited by law or court order, thereof so that disclosing party may seek an appropriate protective order or other remedy. If in the absence of a protective order and if receiving party determines in its sole discretion that it is required by law, regulation, legal process or regulatory authority to disclose any such Confidential Information, receiving party may disclose such Confidential Information upon written notice to disclosing party unless prohibited by law or court order.

**11. Visa and Mastercard Disclosure**

Member Bank Name: Wells Fargo Bank, N.A.  
Bank mailing address: P.O. Box 6079, Concord, CA 94524  
Bank Phone Number: 844-284-6834

**Important Member Bank Responsibilities**

- (a) The Bank is the only entity approved to extend acceptance of Visa and Mastercard products directly to a merchant.
- (b) The Bank must be a principal (signer) to the Sub-Merchant Agreement.
- (c) The Bank is responsible for educating Sub-Merchants on pertinent Visa and Mastercard Rules with which Sub-Merchants must comply; but this information may be provided to Sub-Merchant by Payment Facilitator.
- (d) The Bank is responsible for and must provide settlement funds to the Sub-Merchant.
- (e) The Bank is responsible for all funds held in reserve that are derived from settlement.

**Important Sub-Merchant Responsibilities**

- (a) In the event Sub-Merchant obtains Card Information, ensure compliance with Cardholder data security and storage requirements.
- (b) Maintain fraud and chargebacks below Network thresholds.
- (c) Review and understand the terms of the Agreement.
- (d) Comply with Network Rules.
- (e) Retain a signed copy of this Disclosures Page.

**Acknowledge receipt of Visa and Mastercard Disclosures:**

State of Florida, Department of Financial Services

**(on behalf of Sub-Merchant)**

NIC Services, LLC  
**(Payment Facilitator)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
*(Please Print or Type)*

Name: \_\_\_\_\_  
*(Please Print or Type)*

Title:  
Date:

Title:  
Date:

**12. Miscellaneous**

- a. Compliance with Laws.** Each party agrees to comply with all laws, regulations, and Network Rules

applicable to it, and each is responsible for its own costs and compliance with such.

- b. Force Majeure.** No party shall be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the party or its employees or agents contributed to the delay and the delay is due directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the party's control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is immediately available to the party. In case of any delay the party believes is excusable, the party shall notify all other parties in writing of the delay or potential delay and describe the cause of the delay either (1) within ten (10) days after the cause that creates or will create the delay first arose, if the party could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) days after the date the party first had reason to believe that a delay could result. THE FOREGOING SHALL CONSTITUTE THE PARTY'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages, other than for an extension of time, shall be asserted against Sub-Merchant. The parties shall not be entitled to payment of any kind from Sub-Merchant for direct, indirect, consequential, impact or other costs, expenses or damages, including, but not limited to, costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any force majeure event. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist the party shall perform, unless Sub-Merchant determines, in its sole discretion, that the delay will significantly impair the value of the Agreement to the State or to Sub-Merchant, in which case Sub-Merchant may (1) accept allocated performance or deliveries from the party, provided that the party grants preferential treatment to Sub-Merchant with respect to products subjected to allocation, (2) purchase from other sources (without recourse to and by the party for the related costs and expenses) to replace all or part of the products that are the subject of the delay, which purchases may be deducted from the Agreement quantity, or (3) terminate the Agreement in whole or in part.
- c. Notices.** All notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the Services) shall be in writing, if to Sub-Merchant, at the address and email address provided on Sub-Merchant's **Agency Participation Agreement**, if to Payment Facilitator at 25501 W. Valley Pkwy., Suite 300, Olathe, KS 66061, Attention: Legal Department or by e-mail at legal@egov.com, if to Provider at 3975 NW 120<sup>th</sup> Avenue, Coral Springs, FL 33065, and if to Bank, at the address provided above. Notice shall be deemed to have been given:
- i. when personally delivered;
  - ii. the day following the day (except if not a business day, then the next business day) on which the same has been delivered prepaid to a recognized overnight delivery service; or
  - iii. on the date actually received or the date of the certification of receipt.
- d. Publicity.** Servicers and Sub-Merchant will not initiate publicity relating to this Agreement without the prior written approval of the other(s), except that Servicers and Sub-Merchant may make disclosures required by legal, accounting, or regulatory requirements.
- e. Entire Agreement; Waiver.** This Agreement constitutes the entire agreement between the parties, with respect to the subject matter thereof, and supersedes any previous agreements and understandings. Sub-Merchant's obligations under this Agreement are intended to supplement those specified in the Master Contract. Except as provided in Section 1 of this Agreement, this Agreement can be changed only by a written agreement signed by all parties. A party's waiver of a breach of any term or condition of this Agreement shall not be deemed a waiver of any subsequent breach of the same or another term or condition.
- f. Severability.** The parties intend every provision of this Agreement and any addenda to be severable. If any part of this Agreement and any addenda are not enforceable, the remaining provisions shall remain valid and enforceable. In such case, the parties will in good faith modify or substitute a provision consistent with their original intent. If any remedy fails of its essential purpose, then all other provisions, including the limitations on liability and exclusion of damages, will remain fully effective.

- g. Choice of Law.** This Agreement will be governed by and construed in accordance with the laws of the state of Florida.

### **13. Statutorily-Required Provisions**

- a. Audits.** Servicers acknowledge their obligation, pursuant to section 20.055(5), F.S., to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. Servicers will comply with this obligation and ensure that subcontracts entered into specifically to perform the services required under this Agreement, if any, impose this requirement, in writing, on their subcontractors.

- b. E-Verify.** In cooperation with the Governor's Executive Order 11-116, Servicers must participate in the federal E-Verify System for employment eligibility verification under the terms provided in the "Memorandum of Understanding" with the federal Department of Homeland Security if any new employees are hired to work on this Agreement during the term of the Agreement. Servicers agree to provide to Sub-Merchant, within thirty (30) days of hiring new employees to work on this Agreement, documentation of such enrollment in the form of a copy of the E-Verify "Edit Company Profile" screen, which contains proof of enrollment in the E-Verify System. Information on "E-Verify" is available at the following website: <https://www.e-verify.gov/>.

- c. Scrutinized Companies.** The following paragraph applies regardless of the dollar value of the goods or services provided:

In accordance with the requirements of section 287.135(5), F.S., Servicers certify that they are not participating in a boycott of Israel. At Sub-Merchant's option, the Agreement may be terminated if Bank or Provider is placed on the Quarterly List of Scrutinized Companies that Boycott Israel (referred to in statute as the "Scrutinized Companies that Boycott Israel List") or becomes engaged in a boycott of Israel.

The State Board of Administration maintains the "Quarterly List of Scrutinized Companies that Boycott Israel" at the following link:

<https://www.sbafla.com/fsb/FundsWeManage/FRSPensionPlan/GlobalGovernanceMandates.aspx>.

The following paragraph applies only when the goods or services to be provided are \$1 million or more:

In accordance with the requirements of section 287.135, F.S., Servicers certify that they are not on the Scrutinized List of Prohibited Companies (referred to in statute as the "Scrutinized Companies with Activities in Sudan List" and the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List") and, to the extent that they are not preempted by Federal law, that they have not been engaged in business operations in Cuba or Syria. At Sub-Merchant's option, the Agreement may be terminated if such certification (or the certification regarding a boycott of Israel) is false, if Bank or Provider is placed on the Scrutinized List of Prohibited Companies, or, to the extent not preempted by Federal law, if Servicers engage in business operations in Cuba or Syria.

The State Board of Administration maintains the "Scrutinized List of Prohibited Companies" under the quarterly reports section at the following link: <https://www.sbafla.com/fsb/PerformanceReports.aspx>.

- d. Convicted Vendor List and Discriminatory Vendor List.** Pursuant to sections 287.133 and 287.134, F.S., the following restrictions are placed on the ability of persons or entities placed on the convicted vendor list or the discriminatory vendor list:

- i. Public Entity Crime.** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in section 287.017, F.S., for CATEGORY TWO for a period of thirty-six

(36) months following the date of being placed on the convicted vendor list.

- ii. **Discriminatory Vendors.** An entity or affiliate that has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

Servicers shall notify Sub-Merchant if they or any of their suppliers, subcontractors, or consultants have been placed on the convicted vendor list or the discriminatory vendor list during the life of the Agreement.

The parties hereto have caused this Agreement to be executed by their duly authorized officers. **THIS AGREEMENT IS NOT BINDING UPON THE PARTIES UNTIL FULLY EXECUTED BY ALL PARTIES.**

**First Data Merchant Services LLC  
(PROVIDER)**

**State of Florida, Department of Financial Services  
(on behalf of SUB-MERCHANT)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
*(Please Print or Type)*

Name: \_\_\_\_\_  
*(Please Print or Type)*

Title:

Title:

Date:

Date:

**NIC Services, LLC  
(PAYMENT FACILITATOR)**

**Wells Fargo Bank, N.A.  
(BANK)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
*(Please Print or Type)*

Name: \_\_\_\_\_  
*(Please Print or Type)*

Title:

Title:

Date:

Date:



## Appendix 1

### Definitions

**"Affiliate"** is an entity that, directly or indirectly, (i) owns or controls a party to this agreement or (ii) is under common ownership or control with a party to this agreement.

**"Agency Participant"** is the State judicial branch or any official, officer, commission, board, authority, council, committee, or department of the executive branch of State government that enters into a Participation Agreement under the e-Payment Collection and Processing Services Contract. This also includes, but is not limited to, State attorneys, public defenders, capital collateral regional counsel, the Justice Administrative Commission, the Florida Housing Finance Corporation, and the Florida Public Service Commission.

**"Agency Participation Agreement"** is the agreement entered into between Sub-Merchant and Payment Facilitator that makes Sub-Merchant subject to the terms of the e-Payment Collection and Processing Services Contract and this Agency Participant Sub-Merchant Processing Agreement.

**"Card"** is an account, or evidence of an account, authorized and established between a customer and a Network, or representatives or members of a Network that is accepted from customers. Cards include, but are not limited to, other Card brands and debit cards, electronic gift cards, authorized account or access numbers, paper certificates, credit accounts, and the like.

**"Network"** is any entity formed to administer and promote Cards, including without limitation Mastercard Worldwide (**Mastercard**), Visa U.S.A., Inc. (**Visa**), DFS Services LLC (**Discover Network**), and any applicable debit networks.

**"Network Rules"** are the rules, regulations, releases, interpretations, and other requirements (whether contractual or otherwise) imposed or adopted by any Network.

**"Chargeback"** is a Card Transaction dispute (or disputed portion) that is returned to Servicers by the Issuer. Sub-Merchant is responsible for payment to Payment Facilitator for all Chargebacks.

**"Your Payments Acceptance Guide"** means Servicers' operating rules and regulations, attached hereto and incorporated herein by reference, as may be changed by Servicers from time to time.

**"Settlement Account"** is an account or account(s) at a financial institution designated by Sub-Merchant as the account to be debited and credited by Payment Facilitator or Bank for Card transactions, fees, Chargebacks, and other amounts due under the Agreement or in connection with the Agreement.

**"State"** is the state of Florida.

**"Transaction"** is a transaction conducted between a customer and Sub-Merchant utilizing a Card in which consideration is exchanged between the customer and Sub-Merchant.

**"Transaction Data"** is the written or electronic record of a Transaction.

## LOCAL GOVERNMENT PARTICIPANT SUB-MERCHANT PROCESSING AGREEMENT

NIC Services, LLC (**Payment Facilitator**), First Data Merchant Services LLC (**Provider**), and Wells Fargo Bank, N.A. (**Bank** and together with Provider, **Servicers**) will provide \_\_\_\_\_ (**Sub-Merchant**) with certain Card processing services. Capitalized terms used in this Agreement are defined in Appendix 1.

Sub-Merchant is entering into this agreement due to its election to participate in the e-Payment Collection and Processing Services Contract (the **Master Contract**) in order to accept payments by credit card, charge card, and debit card, as authorized by section 215.322, Florida Statutes (F.S.).

By entering into this Local Government Participant Sub-Merchant Processing Agreement (the **Agreement**), Sub-Merchant agrees to comply with the (1) Network Rules as they pertain to Card information it receives through the Payment Facilitator service and (2) Your Payments Acceptance Guide to the extent applicable to Sub-Merchant. Servicers and Payment Facilitator understand and agree that Sub-Merchant and Payment Facilitator have entered into a shared responsibility model service agreement and in some cases Payment Facilitator will be performing these compliance items on behalf of the Sub-Merchant. As between Sub-Merchant and Servicers, Sub-Merchant is still obligated to ensure compliance and Servicers will hold Sub-Merchant responsible for such performance.

### **1. Acceptance of Cards**

Sub-Merchant agrees to comply with Your Payments Acceptance Guide, to the extent applicable to Sub-Merchant, and all Network Rules, as such may be changed from time to time. Sub-Merchant understands that Servicers may be required to modify Your Payments Acceptance Guide and the Agreement from time to time in order to comply with requirements imposed by the Networks. Servicers may change the Your Payment Acceptance Guide by providing Sub-Merchant with thirty (30) days' prior written notice of the change. Changes to this Agreement must be effectuated by a written amendment entered into between the parties. However, changes required by the Networks will be effective immediately or as required by the Networks, whichever is later.

In offering payment options to customers, Sub-Merchant will accept all types of Visa and/or Mastercard cards, including consumer credit and debit/check cards and commercial credit and debit/check cards. If Sub-Merchant chooses to limit the types of cards it accepts, it must comply with Network Rules and display appropriate signage to indicate acceptance of the limited acceptance category selected.

For recurring transactions, Sub-Merchant must obtain a written request or similar authentication from Sub-Merchant's customer for the goods and/or services to be charged to the customer's account, specifying the frequency of the recurring charge and the duration of time during which such charges may be made.

### **2. Settlement**

Upon Servicers' receipt of the Transaction Data for Card transactions, Servicers will process the Transaction Data to facilitate the funds transfer from the various Networks for the Card sales. After Servicers receive credit for such Transaction Data, subject to Servicers' other rights under this Agreement, Servicers will provide provisional credit to Sub-Merchant's Settlement Account, which is subject to adjustment as provided by this Agreement and the Network Rules.

Sub-Merchant must not submit transactions for payment until the services are performed. If the Cardholder disputes being charged for merchandise or services before receiving them, a Chargeback may result.

### **3. Chargebacks**

Chargebacks can be received for a number of reasons. The following are some of the most common reasons for Chargebacks: (1) a refund is not issued to a customer upon the return or non-delivery of goods or services; (2) an authorization/approval code was required and not obtained; (3) the Transaction was allegedly fraudulent; (4) the

customer disputes the Card sale or the signature on the sale documentation or claims that the sale is subject to a set-off, defense or counterclaim; or (5) the customer refuses to make payment for a Card sale because, in the customer's good faith opinion, a claim or complaint has not been resolved or has been resolved but in an unsatisfactory manner. Chargebacks shall be debited from Sub-Merchant's Settlement Account.

#### **4. Fees**

Sub-Merchant will pay Payment Facilitator as set forth in the Master Contract. For the avoidance of doubt, Sub-Merchant will not pay any fees to Servicers for their services under this Agreement. Payment Facilitator will pay Servicers in accordance with the Payment Facilitator Addendum to the Bankcard Addendum to the Master Services Agreement among Payment Facilitator and Servicers (**PFAC Agreement**).

#### **5. Reserve** *[Intentionally omitted]*

#### **6. Financial Information**

Sub-Merchant will promptly provide Servicers with the Annual Financial Report required by section 218.32, F.S., upon request. Further, upon request, Sub-Merchant will provide financial statements or other information requested by legal and regulatory authorities or the Networks. Sub-Merchant will also provide other information concerning Sub-Merchant's compliance with the terms and provisions of this Agreement as Servicers may reasonably request.

#### **7. Data Security and Privacy**

In the event that Sub-Merchant receives Card information (such as the cardholder's account number, expiration date, and CVV2) in connection with the processing services provided under this Agreement, Sub-Merchant agrees that it will not use Card information for any fraudulent purpose or in violation of any Network Rules, including but not limited to Payment Card Industry Data Security Standards (**PCI DSS**) or applicable law. If at any time Sub-Merchant believes that Card information has been compromised, Sub-Merchant must notify Provider and Payment Facilitator promptly, and Sub-Merchant and Payment Facilitator must provide notice to the proper parties in accordance with the Master Contract's Attachment 2, Statement of Work, Section 10.3, Core Platform and Security Breach. Sub-Merchant must ensure Sub-Merchant's compliance and that of any third party service provider utilized by Sub-Merchant, with all security standards and guidelines that are applicable to it and published from time to time by Visa, Mastercard or any other Network, including, without limitation, the Visa U.S.A. Cardholder Information Security Program (**CISP**), the Mastercard Site Data Protection (**SDP**), and (where applicable), the PCI Security Standards Council, Visa, and Mastercard PA-DSS (**Payment Application Data Security Standards**) (collectively, the **Security Guidelines**). If any Network requires an audit of Sub-Merchant due to a data security compromise event or suspected event, Sub-Merchant agrees to cooperate with such audit. Sub-Merchant may not use any Card information other than for the sole purpose of completing the Transaction authorized by the customer for which the information was provided to Sub-Merchant or as specifically allowed by Network Rules, Your Payments Acceptance Guide, or required by law.

#### **8. Term; Events of Default**

This Agreement shall be in effect upon signing by all parties and shall remain effective through termination of the Master Contract.

If any of the following events shall occur (each an **Event of Default**):

- (i) a material adverse change in your financial condition; or
- (ii) irregular Card sales by Sub-Merchant, excessive Chargebacks (as determined by the Networks), noncompliance with any applicable data security standards, as determined by Servicers, of any Network, or any other entity, or an actual or suspected data security breach, or any other circumstances which, in Servicer's sole discretion, may increase Servicer's exposure for Sub-Merchant's Chargebacks or otherwise present a financial or security risk to Servicers; or
- (iii) any of Sub-Merchant's conditions, covenants, obligations or representations or warranties in this Agreement

are breached in any material respect or are incorrect in any material respect when made or deemed to be made; or

- (iv) Sub-Merchant shall file a petition or have a petition filed by another party under the Bankruptcy Code or any other laws relating to bankruptcy, insolvency or similar arrangement for adjustment of debts; consent to or fail to contest in a timely and appropriate manner any petition filed against Sub-Merchant in an involuntary case under such laws; apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its property; or make a general assignment for the benefit of creditors; or take any corporate action for the purpose of authorizing any of the foregoing; or
- (v) a violation by Sub-Merchant of any applicable law or Network Rule or Servicers' reasonable belief that termination of this Agreement or suspension of services is necessary to comply with any law, including without limitation the rules and regulations promulgated by the Office of Foreign Assets Control of the US Department of the Treasury or Sub-Merchant's breach, as determined by Servicers, of its requirement to comply with all applicable laws

then, upon the occurrence of (1) an Event of Default specified in subsections (ii), (iii), or (v), Servicers shall provide Sub-Merchant and Payment Facilitator with notice and an opportunity to cure within thirty (30) calendar days, after which Servicers may consider this Agreement to be terminated immediately, without additional notice, and (2) any other Event of Default, Servicers shall provide Sub-Merchant and Payment Facilitator with notice and an opportunity to cure within forty-five (45) calendar days, after which this Agreement may be terminated by Servicers giving not less than ten (10) days' notice to Sub-Merchant and Payment Facilitator; provided, however, that the thirty (30) day notice period set forth in (1) and the forty-five (45) day notice period set forth in (2) of this section shall not apply in any instance where the Networks or legal authorities require Servicers to terminate without such notice periods.

Neither the expiration nor termination of this Agreement shall terminate the obligations and rights of the parties pursuant to provisions of this Agreement which by their terms are intended to survive or be perpetual or irrevocable. Such provisions shall survive the expiration or termination of this Agreement.

If any Event of Default shall have occurred and regardless of whether such Event of Default has been cured, Servicers may, in Servicers' sole discretion, exercise all of Servicers' rights and remedies under applicable law and this Agreement other than the right to terminate, which shall only be exercised as stated above.

The Networks often maintain lists of merchants who have had their merchant agreements or Card acceptance rights terminated for cause. If this Agreement is terminated for cause, Sub-Merchant acknowledges that Servicers may be required to report its business name and the names and other information regarding its principals to the Networks for inclusion on such list(s). However, in the event that this Agreement is terminated for cause based solely on Payment Facilitator's action or failure to act, Servicers will not provide Sub-Merchant's information to the Networks unless otherwise required by the Networks. Sub-Merchant expressly agrees and consents to such reporting if Sub-Merchant is terminated as a result of the occurrence of an Event of Default or for any reason specified as cause by the Networks. Furthermore, Sub-Merchant agrees to waive and hold Servicers harmless from and against any and all claims which Sub-Merchant may have as a result of such reporting.

Servicers may terminate this Agreement at any time and for any or no reason upon the provision of sixty (60) calendar days' prior notice. Servicers may also temporarily suspend or delay payments to Sub-Merchant during a fraud event or as required by legal authorities or the Network.

Sub-Merchant may terminate this Agreement at any time for any or no reason upon the provision of sixty (60) calendar days' prior notice. Additionally, if the Master Contract is terminated for any reason, this Agreement will also be terminated. For the avoidance of doubt, Sub-Merchant's obligation to pay under the Master Agreement and to perform under this Agreement is contingent upon an annual appropriation by the Legislature.

If this Agreement is terminated, all amounts payable under this Agreement shall be immediately due and payable in full without demand or other notice of any kind, all of which are expressly waived by Sub-Merchant, and the obligations to pay for obligations associated with transactions Sub-Merchant submits to Servicers shall survive termination of this Agreement.

## **9. Warranties; Exclusion of Consequential Damages; Limitation on Liability**

This Agreement and any addenda is an agreement for services and except as expressly provided in this Agreement, and any addenda, Servicers and Servicers' Affiliates disclaim all representations or warranties, express or implied, made to Sub-Merchant or any other person, including without limitation, any warranties regarding quality, suitability, merchantability, fitness for a particular purpose or otherwise (regardless of any course of dealing, custom or usage of trade) of any services or any goods provided incidental to the Services provided under this Agreement.

Notwithstanding anything in this Agreement and any addenda to the contrary, in no event shall Servicers and Servicers' Affiliates be liable under any theory of tort, contract, strict liability or other legal theory for lost profits, lost revenues, lost business opportunities, exemplary, punitive, special, incidental, indirect or consequential damages, each of which is hereby excluded by agreement of the parties, regardless of whether such damages were foreseeable or whether any party or any entity has been advised of the possibility of such damages.

Notwithstanding anything in this Agreement and any addenda to the contrary, Servicers and Servicers' Affiliates' cumulative liability, in the aggregate to the Sub-Merchant (inclusive of any and all claims made by Sub-Merchant against Servicers and/or Servicers' Affiliates, whether related or unrelated) for all losses, claims, suits, controversies, breaches, or damages for any cause whatsoever (including, but not limited to, those arising out of or related to this Agreement and any addenda) and regardless of the form of action or legal theory shall not exceed the lesser of (i) \$100,000; or (ii) the amount of fees received by Servicers from Payment Facilitator under the PFAC Agreement for services performed pursuant to this Agreement in the immediately preceding 12 months.

Payment Facilitator is providing services under this Agreement to effectuate its provision of a larger scope of services provided for in the Master Contract. Therefore, Sub-Merchant, in addition to all rights and remedies available to it at law, has all rights and remedies against Payment Facilitator available to it under the Master Contract, and Payment Facilitator's liability to Sub-Merchant is limited only to the extent limited in the Master Contract.

Sub-Merchant shall be responsible for losses, damages, costs, or expenses arising or resulting from (i) Sub-Merchant's misrepresentation or breach of warranty, covenant, or any provision under this Agreement; or (ii) Sub-Merchant's or Sub-Merchant's employees'/agents' fraud, gross negligence, willful misconduct or failure to comply with applicable law and this Agreement. Sub-Merchant is responsible for reimbursing Payment Facilitator for applicable Network fines and assessments pursuant to the Master Contract; however, if Sub-Merchant fails to reimburse Payment Facilitator for fines and assessments resulting from a failure to comply with applicable Network Rules, Servicers may directly collect such amounts from Sub-Merchant. Other than the liability associated with reimbursement for Network fines and assessments, Sub-Merchant's liability for any claim arising from this Agreement is limited to compensatory damages no greater than \$100,000.00 or 10% of the average annual amount paid to Servicers to provide the services outlined in this Agreement, whichever is less. In the event that Sub-Merchant is liable for a claim within the first year of this Agreement, the average annual amount will be determined by averaging the monthly amount paid to Servicers to provide the services outlined in this Agreement and multiplying it by twelve (12).

## **10. Confidentiality**

Servicers and Sub-Merchant acknowledge and agree that the other(s) may be providing to it, and that it may become aware of, information of the other(s) that is confidential, trade secret, or otherwise not subject to disclosure under chapter 119, F.S., or other Florida or federal law, including, but not limited to, financial information and other information related to Servicers' and Sub-Merchant's business operations (**Confidential Information**). Servicers and Sub-Merchant agree that they will maintain the confidentiality of such Confidential Information, and they shall not disclose any such Confidential Information to any other person or entity (other than to their employees, agents, contractors, representatives, and Affiliates to whom disclosure is reasonably necessary in furtherance of the performance of this Agreement), except as required by law. In the event disclosure of any Servicer Confidential Information is required by law, Sub-Merchant shall provide Servicers with prompt notice thereof, unless prohibited by law or court order, so that Servicers may seek an appropriate protective order or other remedy. Notwithstanding the foregoing, the requirements of non-disclosure shall not apply to any information which: (a) at the time of disclosure is already in the possession of

the receiving party; (b) is independently developed by the receiving party without reliance on the disclosed Confidential Information; (c) is or becomes publicly available through no wrongdoing of the receiving party; or (d) becomes available to the receiving party on a non-confidential basis from a person, other than the disclosing party, who is not bound by a confidentiality obligation or otherwise restricted from transmitting the information to the receiving party. Furthermore, this section shall not prohibit the receiving party from making legally required disclosures pursuant to subpoena, court order, or the order of any other authority having jurisdiction; provided that, the receiving party shall provide the disclosing party with prompt notice, unless prohibited by law or court order, thereof so that disclosing party may seek an appropriate protective order or other remedy. If in the absence of a protective order and if receiving party determines in its sole discretion that it is required by law, regulation, legal process or regulatory authority to disclose any such Confidential Information, receiving party may disclose such Confidential Information upon written notice to disclosing party unless prohibited by law or court order.

**11. Visa and Mastercard Disclosure**

Member Bank Name: Wells Fargo Bank, N.A.  
Bank mailing address: P.O. Box 6079, Concord, CA 94524  
Bank Phone Number: 844-284-6834

Important Member Bank Responsibilities

- (a) The Bank is the only entity approved to extend acceptance of Visa and Mastercard products directly to a merchant.
- (b) The Bank must be a principal (signer) to the Sub-Merchant Agreement.
- (c) The Bank is responsible for educating Sub-Merchants on pertinent Visa and Mastercard Rules with which Sub-Merchants must comply; but this information may be provided to Sub-Merchant by Payment Facilitator.
- (d) The Bank is responsible for and must provide settlement funds to the Sub-Merchant.
- (e) The Bank is responsible for all funds held in reserve that are derived from settlement.

Important Sub-Merchant Responsibilities

- (a) In the event Sub-Merchant obtains Card Information, ensure compliance with Cardholder data security and storage requirements.
- (b) Maintain fraud and chargebacks below Network thresholds.
- (c) Review and understand the terms of the Agreement.
- (d) Comply with Network Rules.
- (e) Retain a signed copy of this Disclosures Page.

**Acknowledge receipt of Visa and Mastercard Disclosures:**

\_\_\_\_\_  
**(Sub-Merchant)**

NIC Services, LLC  
**(Payment Facilitator)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:  
(Please Print or Type)

Name:  
(Please Print or Type)

Title:  
Date:

Title:  
Date:

**12. Miscellaneous**

- a. Compliance with Laws.** Each party agrees to comply with all laws, regulations, and Network Rules applicable to it, and each is responsible for its own costs and compliance with such.
- b. Force Majeure.** No party shall be responsible for delay resulting from its failure to perform if neither the fault nor the negligence of the party or its employees or agents contributed to the delay and the delay is due

directly to acts of God, wars, acts of public enemies, strikes, fires, floods, or other similar cause wholly beyond the party's control, or for any of the foregoing that affect subcontractors or suppliers if no alternate source of supply is immediately available to the party. In case of any delay the party believes is excusable, the party shall notify all other parties in writing of the delay or potential delay and describe the cause of the delay either (1) within ten (10) days after the cause that creates or will create the delay first arose, if the party could reasonably foresee that a delay could occur as a result, or (2) if delay is not reasonably foreseeable, within five (5) days after the date the party first had reason to believe that a delay could result. THE FOREGOING SHALL CONSTITUTE THE PARTY'S SOLE REMEDY OR EXCUSE WITH RESPECT TO DELAY. Providing notice in strict accordance with this paragraph is a condition precedent to such remedy. No claim for damages, other than for an extension of time, shall be asserted against Sub-Merchant. The parties shall not be entitled to payment of any kind from Sub-Merchant for direct, indirect, consequential, impact or other costs, expenses or damages, including, but not limited to, costs of acceleration or inefficiency, arising because of delay, disruption, interference, or hindrance from any force majeure event. If performance is suspended or delayed, in whole or in part, due to any of the causes described in this paragraph, after the causes have ceased to exist the party shall perform, unless Sub-Merchant determines, in its sole discretion, that the delay will significantly impair the value of the Agreement to Sub-Merchant, in which case Sub-Merchant may (1) accept allocated performance or deliveries from the party, provided that the party grants preferential treatment to Sub-Merchant with respect to products subjected to allocation, (2) purchase from other sources (without recourse to and by the party for the related costs and expenses) to replace all or part of the products that are the subject of the delay, which purchases may be deducted from the Agreement quantity, or (3) terminate the Agreement in whole or in part.

- c. Notices.** All notices and other communications required or permitted hereunder (other than those involving normal operational matters relating to the Services) shall be in writing, if to Sub-Merchant, at \_\_\_\_\_ or by e-mail at \_\_\_\_\_, if to Payment Facilitator at 25501 W. Valley Pkwy., Suite 300, Olathe, KS 66061, Attention: Legal Department or by e-mail at legal@egov.com, if to Provider at 3975 NW 120<sup>th</sup> Avenue, Coral Springs, FL 33065, and if to Bank, at the address provided above. Notice shall be deemed to have been given:
- i. when personally delivered;
  - ii. the day following the day (except if not a business day, then the next business day) on which the same has been delivered prepaid to a recognized overnight delivery service; or
  - iii. on the date actually received or the date of the certification of receipt.
- d. Publicity.** Servicers and Sub-Merchant will not initiate publicity relating to this Agreement without the prior written approval of the other(s), except that Servicers and Sub-Merchant may make disclosures required by legal, accounting, or regulatory requirements.
- e. Entire Agreement; Waiver.** This Agreement constitutes the entire agreement between all parties with respect to the subject matter thereof, and supersedes any previous agreements and understandings. Sub-Merchant's obligations under this Agreement are intended to supplement those specified in the Master Contract. Except as provided in Section 1 of this Agreement, this Agreement can be changed only by a written agreement signed by all parties. A party's waiver of a breach of any term or condition of this Agreement shall not be deemed a waiver of any subsequent breach of the same or another term or condition.
- f. Severability.** The parties intend every provision of this Agreement and any addenda to be severable. If any part of this Agreement and any addenda are not enforceable, the remaining provisions shall remain valid and enforceable. In such case, the parties will in good faith modify or substitute a provision consistent with their original intent. If any remedy fails of its essential purpose, then all other provisions, including the limitations on liability and exclusion of damages, will remain fully effective.
- g. Choice of Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Florida.

### 13. Statutorily-Required Provisions

- a. Audits.** Servicers acknowledge their obligation, pursuant to section 20.055(5), F.S., to cooperate with the Inspector General in any investigation, audit, inspection, review, or hearing. Servicers will comply with this obligation and ensure that subcontracts entered into specifically to perform the services required under this Agreement, if any, impose this requirement, in writing, on their subcontractors.
- b. E-Verify.** In cooperation with the Governor's Executive Order 11-116, Servicers must participate in the federal E-Verify System for employment eligibility verification under the terms provided in the "Memorandum of Understanding" with the federal Department of Homeland Security if any new employees are hired to work on this Agreement during the term of the Agreement. Servicers agree to provide to Sub-Merchant, within thirty (30) days of hiring new employees to work on this Agreement, documentation of such enrollment in the form of a copy of the E-Verify "Edit Company Profile" screen, which contains proof of enrollment in the E-Verify System. Information on "E-Verify" is available at the following website: <https://www.e-verify.gov/>.
- c. Scrutinized Companies.** The following paragraph applies regardless of the dollar value of the goods or services provided:

In accordance with the requirements of section 287.135(5), F.S., Servicers certify that they are not participating in a boycott of Israel. At Sub-Merchant's option, the Agreement may be terminated if Bank or Provider is placed on the Quarterly List of Scrutinized Companies that Boycott Israel (referred to in statute as the "Scrutinized Companies that Boycott Israel List") or becomes engaged in a boycott of Israel. The State Board of Administration maintains the "Quarterly List of Scrutinized Companies that Boycott Israel" at the following link:

<https://www.sbafla.com/fsb/FundsWeManage/FRSPensionPlan/GlobalGovernanceMandates.aspx>.

The following paragraph applies only when the goods or services to be provided are \$1 million or more:

In accordance with the requirements of section 287.135, F.S., Servicers certify that they are not on the Scrutinized List of Prohibited Companies (referred to in statute as the "Scrutinized Companies with Activities in Sudan List" and the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List") and, to the extent that they are not preempted by Federal law, that they have not been engaged in business operations in Cuba or Syria. At Sub-Merchant's option, the Agreement may be terminated if such certification (or the certification regarding a boycott of Israel) is false, if Bank or Provider is placed on the Scrutinized List of Prohibited Companies, or, to the extent not preempted by Federal law, if Servicers engage in business operations in Cuba or Syria.

The State Board of Administration maintains the "Scrutinized List of Prohibited Companies" under the quarterly reports section at the following link: <https://www.sbafla.com/fsb/PerformanceReports.aspx>.

- d. Convicted Vendor List and Discriminatory Vendor List.** Pursuant to sections 287.133 and 287.134, F.S., the following restrictions are placed on the ability of persons or entities placed on the convicted vendor list or the discriminatory vendor list:
- i. Public Entity Crime.** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in section 287.017, F.S., for CATEGORY TWO for a period of thirty-six (36) months following the date of being placed on the convicted vendor list.
  - ii. Discriminatory Vendors.** An entity or affiliate that has been placed on the discriminatory vendor list may not submit a bid, proposal, or reply on a contract to provide any goods or services to a public entity; may not submit a bid, proposal, or reply on a contract with a public entity for the construction or repair of a public building or public work; may not submit a bid, proposal, or reply on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier,



subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

Servicers shall notify Sub-Merchant if they or any of their suppliers, subcontractors, or consultants have been placed on the convicted vendor list or the discriminatory vendor list during the life of the Agreement.

e. [Sub-Merchant should include any other relevant statutory provisions in this section.]

The parties hereto have caused this Agreement to be executed by their duly authorized officers. **THIS AGREEMENT IS NOT BINDING UPON THE PARTIES UNTIL FULLY EXECUTED BY ALL PARTIES.**

**First Data Merchant Services LLC  
(PROVIDER)**

\_\_\_\_\_  
**(SUB-MERCHANT)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
*(Please Print or Type)*

Name: \_\_\_\_\_  
*(Please Print or Type)*

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**NIC Services, LLC  
(PAYMENT FACILITATOR)**

**Wells Fargo Bank, N.A.  
(BANK)**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
*(Please Print or Type)*

Name: \_\_\_\_\_  
*(Please Print or Type)*

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix 1

### Definitions

**"Affiliate"** is an entity that, directly or indirectly, (i) owns or controls a party to this agreement or (ii) is under common ownership or control with a party to this agreement.

**"Card"** is an account, or evidence of an account, authorized and established between a customer and a Network, or representatives or members of a Network that is accepted from customers. Cards include, but are not limited to, other Card brands and debit cards, electronic gift cards, authorized account or access numbers, paper certificates, credit accounts and the like.

**"Network"** is any entity formed to administer and promote Cards, including without limitation Mastercard Worldwide (**Mastercard**), Visa U.S.A., Inc. (**Visa**), DFS Services LLC (**Discover Network**) and any applicable debit networks.

**"Network Rules"** are the rules, regulations, releases, interpretations and other requirements (whether contractual or otherwise) imposed or adopted by any Network.

**"Chargeback"** is a Card Transaction dispute (or disputed portion) that is returned to Servicers by the Issuer. Sub-Merchant is responsible for payment to Payment Facilitator for all Chargebacks.

**"Your Payments Acceptance Guide"** means Servicers' operating rules and regulations, attached hereto and incorporated herein by reference, as may be changed by Servicers from time to time.

**"Settlement Account"** is an account or account(s) at a financial institution designated by Sub-Merchant as the account to be debited and credited by Payment Facilitator or Bank for Card transactions, fees, Chargebacks and other amounts due under the Agreement or in connection with the Agreement.

**"Transaction"** is a transaction conducted between a customer and Sub-Merchant utilizing a Card in which consideration is exchanged between the customer and Sub-Merchant.

**"Transaction Data"** is the written or electronic record of a Transaction.



# Your payments acceptance guide

May 2019



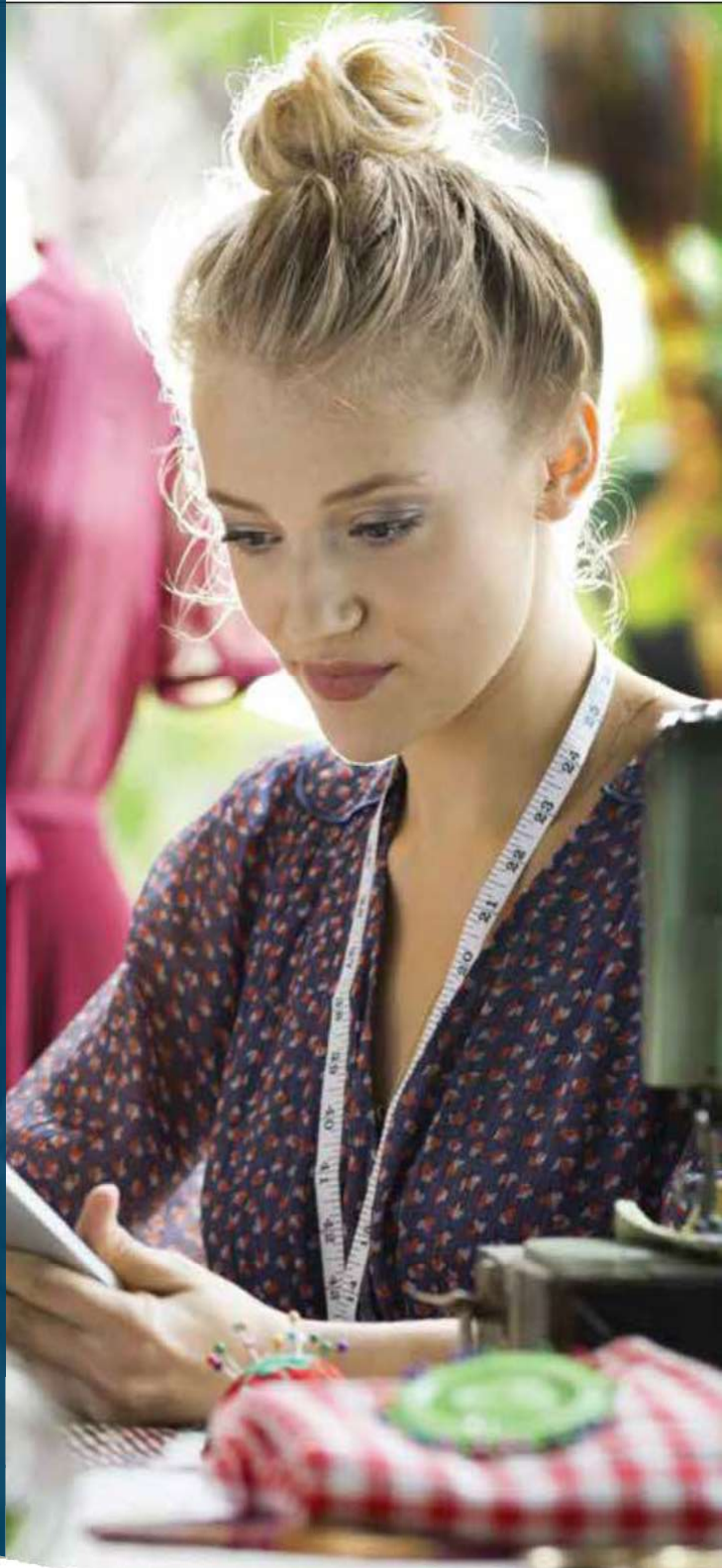
# WELCOME

## From start to finish – A guide to accepting payments

Payment acceptance solutions are an essential part of your business. As your partner, we want to make accepting payments as simple as possible for you. That's why we created "Your Payments Acceptance Guide." It's your quick reference to the guidelines for processing transactions. You'll also find recommendations and tips to help you prevent fraud, reduce chargebacks, and properly handle payments, refunds, exchanges, and most other situations you'll encounter in your day-to-day business.

To help you navigate more easily and find the information you need when you need it, we've organized the guide into three parts. At the end of the guide, you'll also find information specific to processing Wex<sup>®</sup>, Voyager<sup>®</sup>, American Express<sup>®</sup>, Discover<sup>®</sup>, PayPal<sup>®</sup>, and Alipay<sup>™</sup> payments.

If you have questions about processing payments or any of your other business services, please contact Customer Service at the number listed on your merchant services statement. Your Customer Service team is here to make things easier, so let us know what we can do to help.



**American Express**

>>> [americanexpress.com](https://americanexpress.com)

**Discover Financial Services**

>>> [discovernetwork.com/merchants](https://discovernetwork.com/merchants)

**Mastercard Worldwide**

>>> [www.mastercard.us/content/dam/mccom/global/documents/mastercard-rules.pdf](https://www.mastercard.us/content/dam/mccom/global/documents/mastercard-rules.pdf)

**Visa Inc.**

>>> <https://usa.visa.com/dam/VCOM/download/about-visa/visa-rules-public.pdf>

**PayPal**

>>> [paypal.com/us/webapps/mpp/accept-payments-online](https://paypal.com/us/webapps/mpp/accept-payments-online)

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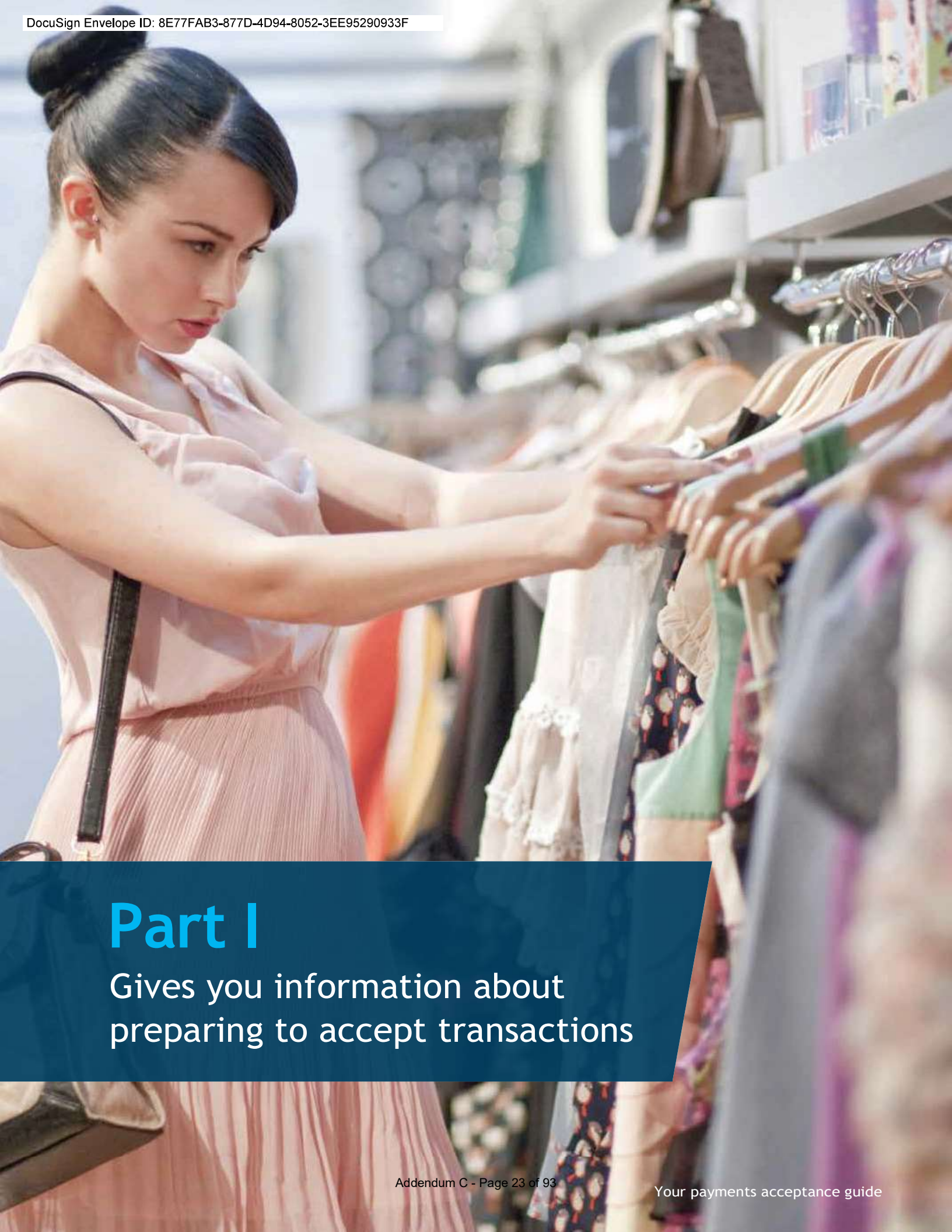
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# Part I

Gives you information about preparing to accept transactions

The first step of a transaction actually begins before a customer even decides to make a purchase. This part of “Your Payments Acceptance Guide” reviews steps that you’ll need to take to ensure customers are informed of their payment options and understand the terms of sale. You’ll also find tips and important reminders for validating cards in order to reduce the risk of fraud. Finally, specific procedures for accepting debit and EBT payments are outlined. If you have questions about anything discussed in this guide, please contact Customer Service at the number located on your Merchant Services Statement.

## 1 Use of payment organizations’ brands

### DO’S

- > Do prominently display relevant trademarks of the payment organizations at each of your locations, in catalogs, on websites, and on other promotional material
- > Do only use the official trademarks of ours and of the payment organizations in the official format

### DON’TS

- > Don’t indicate that we or any payment organization endorses your goods or services
- > Don’t use the trademarks of any payment organization after: Your right to accept the cards of that payment organization has ended; or that payment organization has notified you to stop using their trademarks
- > Don’t use the trademarks of ours or of the payment organizations in any way that injures or diminishes the goodwill associated with the trademarks
- > Don’t use our trademarks or the trademarks of the payment organizations in any manner, including in any advertisements, displays, or press releases, without our prior written consent

For special rules applying to the treatment of the American Express brand, please refer to Appendix 2.

## 2 Point-of-Sale (POS) reminders

You must clearly and conspicuously:

- > Disclose all material terms of sale prior to obtaining an authorization
- > At all points of interaction inform cardholders which entity is making the sales offer, so that the cardholders

can clearly distinguish you from any other party involved in the interaction

- > Disclose any discount/incentive for customers to pay with cash, check, credit card, or debit card and so on. Any such discount/incentive must be offered to all customers with no special treatment for any card brand or card-issuing bank

If you accept orders via the Internet, your website must include the following information in a prominent manner:

- > A complete description of the goods or services offered
- > Details of your (i) delivery policy; (ii) consumer data privacy policy; (iii) cancellation policy; and (iv) returns policy
- > The transaction currency (U.S. dollars, unless permission is otherwise received from Servicers)
- > The customer service contact, including email address and telephone number
- > Your address, including country
- > The transaction security used on your website
- > Any applicable export or legal restrictions
- > Your identity at all points of interaction with the cardholder
- > The date on which any free trial period ends

If you limit refund/exchange terms or impose other specific conditions for card sales, you must clearly print (in 1/4” letters) the words “No Exchange, No Refund,” etc. on the salesdraft.

During a liquidation or closure of any of your outlets, locations or businesses, you must post signs clearly visible to customers stating that “All Sales Are Final,” and stamp the sales draft with a notice that “All Sales Are Final.”



### 3 Validating the cards

#### Transactions where the cardholder is present – “Card Present” transactions

- > You must check the card if the cardholder is present at the point of sale
- > Verify that the card is legitimate and valid
- > Verify that the card is not visibly altered or mutilated
- > Capture card data using the POS device by swiping the card (magnetic stripe) tapping/waving the card (contactless) or inserting the card (chip card)
- > Ensure that the cardholder enters their PIN using the keypad if prompted or provides their signature unless you are participating in the ‘No Signature Required’ or PINless programs
- > Verify the card’s valid from date (if applicable) and the expiration date
- > Verify that the card number and expiration date on the card are the same as on the transaction receipt and the number displayed on the POS device
- > Verify that the name on the transaction receipt is the same as the name on the front of the card (if applicable)
- > Ensure that the cardholder appears to be the person shown in the photograph (for cards with a photograph of the cardholder)

#### Transactions where the cardholder is not present – “Card Not Present” transactions

This section applies to any transaction where the cardholder is not present, such as mail, telephone, Internet, and ecommerce.

You may only conduct Internet transactions if you have notified us in advance and received approval.

#### DO’S

- > Do obtain the card account number, name as it appears on the card, expiration date of the card, and the cardholder’s statement address
- > Do use the Address Verification Service (AVS). If you do not have AVS, contact Customer Service immediately.
- > Do clearly print the following on the sales draft, and provide a copy to the cardholder at the time of delivery
  - The last four digits of the cardholder’s account number
  - The date of transaction
  - A description of the goods and services

- The amount of the transaction (including shipping, handling, insurance, etc.)
  - The cardholder’s name, billing address, and shipping address
  - The authorization code
  - Your name and address (city and state required)
- > Do obtain proof of delivery of the goods or services to the address designated by the cardholder or, if the cardholder collects the goods or services in person, obtain an imprint of the card and the cardholder’s signature
  - > Do notify the cardholder of delivery time frames and special handling or cancellation policies
  - > Do ship goods within seven (7) days from the date on which authorization was obtained. If delays are incurred (for example, out of stock) after the order has been taken, notify the cardholder and obtain fresh authorization of the transaction.
  - > Do use any separate merchant identification numbers provided to you for Internet orders in all your requests for authorization and submission of charges
  - > Do provide at least one (1) month’s prior written notice to your acquirer of any change in your Internet address

#### DON’TS

- > Don’t exceed the percentage of your total payment card volume for Card Not Present sales, as set out in your application
- > Don’t submit a transaction for processing until after the goods have been shipped or the service has been provided to the cardholder – the only exception to this is where the goods have been manufactured to the cardholder’s specifications and the cardholder has been advised of the billing details. Don’t accept card account numbers by electronic mail.
- > Don’t require a cardholder to complete a postcard or another document that displays the cardholder’s account number in clear view when mailed or send any mailing to a cardholder that displays personal information in clear view

It is also recommended that, if feasible, you obtain and keep a copy on file of the cardholder’s signature authorizing you to submit telephone and mail order transactions.

Address Verification Service (AVS) (and other fraud mitigation tools such as Verified by Visa, Mastercard Secure Code, Card Validation Codes, and Card Identification) does not guarantee against chargebacks; but, if used properly, it assists you in reducing the risk of fraud by confirming

whether certain elements of the billing address provided by your customer matches the billing address maintained by the card-issuing bank. AVS also may help you avoid incurring additional interchange expenses. AVS is a separate process from obtaining an authorization and will provide a separate response. A transaction may be authorized regardless of the AVS response. It is your responsibility to monitor the AVS responses and use the information provided to avoid accepting high-risk transactions.

If a disputed charge arises for a transaction conducted over the Internet or electronically, a chargeback may be exercised for the full amount.

For Discover Network transactions, please refer to Appendix 3 for the Discover Network protocol for Internet transactions.

## Customer-activated terminals and self-service terminals

Transactions processed at customer-activated terminals and self-service terminals have specific requirements for processing. You must contact Customer Service for approval and further instructions before conducting customer-activated terminal transactions or self-service terminal transactions.

## 4 Transaction guidelines

### DO'S

- > Do only present for payment valid charges that arise from a transaction with a bona fide cardholder

### DON'TS

- > Don't set a minimum transaction amount of more than \$10 for any credit cards or of any amount for debit cards or Alipay transactions
- > Don't set a maximum transaction amount for any credit cards
- > Don't establish any special conditions for accepting a card
- > Don't make any cash disbursements or cash advances to a cardholder as part of a transaction with the exception of the Discover Network Cash Over service
- > Don't accept any direct payments from cardholders for goods or services which have been included on a sales draft
- > Don't require a cardholder to supply any personal information for a transaction (for example, phone number, address, driver's license number) unless

- (i) instructed by the Voice Authorization Center
- (ii) presented an unsigned card; or (iii) processing a Card Not Present transaction don't submit any transaction representing the refinance or transfer of an existing cardholder obligation which is deemed uncollectible, for example, a transaction that has been previously charged back, or to cover a dishonored check
- > Don't submit sales drafts or credit drafts transacted on the personal card of an owner, partner, officer or employee of your business establishment or of a guarantor who signed your application form, unless such transaction arises from a bona fide purchase of goods or services in the ordinary course of your business
- > Don't carry out factoring, that is, the submission of authorization requests or sales drafts for card transactions transacted by another business

## 5 Security

You are responsible for maintaining the security of your POS devices and for instituting appropriate controls to prevent employees or others from submitting credits that do not reflect bona fide returns or reimbursements of earlier transactions.

Please comply with the data security requirements shown below:

### DO'S

- > Do install and maintain a secure firewall configuration to protect data
- > Do protect stored data, and do encrypt the transmission of data sent across open/public networks, using methods indicated in the Payment Card Industry Data Security Standard (PCI DSS) which is available at: [pcisecuritystandards.org](http://pcisecuritystandards.org)
- > Do use and regularly update anti-virus software and keep security patches up-to-date
- > Do restrict access to data by business "need to know". Assign a unique ID to each person with computer access to data and track access to data by a unique ID.
- > Do regularly test security systems and processes
- > Do maintain a policy that addresses information security for employees and contractors
- > Do restrict physical access to cardholder information
- > Do destroy or purge all media containing obsolete transaction data with cardholder information

- > Do keep all systems and media containing card account, cardholder, or transaction information (whether physical or electronic) in a secure manner, so as to prevent access by, or disclosure to any unauthorized party
- > Do use only those services and devices that have been certified as PCI-DSS compliant by the payment organizations

## DON'TS

- > Don't use vendor-supplied defaults for system passwords and other security parameters
- > Don't transmit cardholder account numbers to cardholders for Internet transactions
- > Don't store or retain card verification codes (three-digit codes printed on the back of most cards and a four-digit code printed on the front of an American Express card) after final transaction authorization
- > Don't store or retain magnetic stripe data, PIN data, chip data, or AVS data - only cardholder account number, cardholder name and cardholder expiration date may be retained subsequent to transaction authorization

For internet transactions, copies of the transaction records may be delivered to cardholders in either electronic or paper format.

## 6 TransArmor services

If you are receiving TransArmor services from us, the important DO's and DON'Ts listed below apply to you:

### DO'S

- > Do comply with the payments organization rules, including PCI DSS
- > Do demonstrate and maintain your current PCI DSS compliance certification. Compliance must be validated either by a Qualified Security Assessor (QSA) with corresponding Report on Compliance (ROC) or by successful completion of the applicable PCI DSS Self-Assessment Questionnaire (SAQ) or Report on Compliance (ROC), as applicable, and if applicable to your business, passing quarterly network scans performed by an Approved Scan Vendor, all in accordance with payments organization rules and PCI DSS.
- > Do ensure that all third parties and software that you use for payment processing comply with the PCI DSS
- > Do deploy the data protection solution (including implementing any upgrades to such service within a commercially reasonable period of time after receipt

of such upgrades) throughout your systems including replacing existing card numbers on your systems with tokens

- > Do use the token in lieu of card numbers for ALL activities subsequent to receipt of the authorization response, including settlement processing, retrieval processing, chargeback and adjustment processing, and transaction reviews
- > Do ensure that any POS device, gateway or VAR is certified by us for use with the data protection solution. If you are uncertain whether your equipment is compliant, contact a customer service representative at 866-359-0978.
- > If you send or receive batch files containing completed card transaction information to/from us, do use the service provided by us to enable such files to contain only tokens or truncated information
- > Do use truncated report viewing and data extract creation within reporting tools provided by us
- > Do follow rules or procedures we may provide to you from time to time regarding your use of the data protection solution
- > Do promptly notify us of a breach of any these terms

## DON'TS

- > Don't retain full card numbers, whether in electronic form or hardcopy
- > Don't use altered version(s) of the data protection solution
- > Don't use, operate or combine the data protection solution or any related software, materials or documentation, or any derivative works thereof with other products, materials or services in a manner inconsistent with the uses contemplated in this section

## 7 Debit cards

When accepting debit cards, you'll need to follow the specific requirements for each debit network, as well as, the general requirements set out in this section.

### DO'S

- > Do read the account number electronically from the magnetic stripe/chip for transactions authenticated with a PIN. If the magnetic stripe/chip is unreadable, you must request another form of payment from the cardholder.

## DON'TS

- > Don't process a credit card transaction in order to provide a refund on a debit card transaction

- > Don't complete a debit card transaction without:
  - Entry of the PIN by the cardholder (and no one else)
  - Signature by the cardholder (and no one else)

Unless the transaction is a "no-signature" debit transaction or a "PINless" PIN debit transaction specifically supported by the debit network.

- > Don't accept the PIN from the cardholder verbally or in written form
- > Don't manually enter the account number for PIN debit transactions. Signature debit transactions may be key entered if you are unable to swipe the card.

The debit network used to process your debit transaction will depend upon, among other things, our own business considerations, the availability of the debit network at the time of the transaction, and whether a particular debit card is enabled for a particular debit network.

The debit network used to route your transaction may or may not be the lowest cost network available. We may in our sole discretion:

- > Use any debit network available to us for a given transaction (including any of our affiliated PIN debit networks)
- > Add or remove debit networks available to you based on a variety of factors including availability, features, functionality and our own business considerations

**YOU ARE RESPONSIBLE FOR SECURING YOUR POS DEVICES AND IMPLEMENTING APPROPRIATE CONTROLS TO PREVENT EMPLOYEES OR OTHERS FROM SUBMITTING CREDITS AND VOIDS THAT DO NOT REFLECT BONA FIDE RETURNS OR REIMBURSEMENTS OF PRIOR TRANSACTIONS.**

You may offer cash back to your customers when they make a PIN debit card purchase. You may set a minimum and maximum amount of cash back that you will allow. If you are not currently offering this service, your POS device may require additional programming to begin offering cash back as long as it is supported by the debit network.

You must reconcile your accounts for each location daily and notify us within 24 hours of any issues.

An adjustment is a transaction that is initiated to correct a debit card transaction that has been processed in error. For signature debit transactions (i.e., "no-signature" debit transactions), both the cardholder and the card-issuing bank have the right to question or dispute a transaction. If these questions or disputes are not resolved, a chargeback may occur. You are responsible for all adjustment and chargeback fees that may be charged by a debit network.

An adjustment may be initiated for many reasons, including:

- > The cardholder was charged an incorrect amount, whether too little or too much
- > The cardholder was charged more than once for the same transaction
- > A processing error may have occurred that caused the cardholder to be charged even though the transaction did not complete normally at the point of sale
- > A cardholder is disputing the goods or services provided

All parties involved in processing adjustments and chargebacks are regulated by time frames that are specified in the operating rules of the applicable debit network, the Electronic Funds Transfer Act, Regulation E, and other applicable law.

## 8 Electronic Benefit Transfer (EBT) transactions

We offer electronic interfaces to Electronic Benefit Transfer (EBT) networks for the processing, settlement and switching of EBT transactions initiated through the use of a state-issued EBT card at your point of sale terminal(s) so that EBT recipients may receive EBT benefits.

**EBT benefits may comprise:**

- > United States Department of Agriculture, Food, and Nutrition Service (FNS)
- > Supplemental Nutrition Assistance Program (SNAP)
- > Women, Infants and Children Benefits (WIC Benefits)
- > Government delivered cash

If you accept EBT transactions or provide EBT benefits:

### DO'S

- > Do provide EBT benefits to EBT recipients in accordance with applicable law and the procedures set out in the Quest rules, in the amount authorized through your terminal, upon presentation by an EBT recipient of an EBT card and such EBT recipient's entry of a valid PIN
- > Do use POS Terminals, PIN pad and printer, or other equipment that meets required standards (i.e., those set out in the Quest rules) during your normal business hours and in a manner consistent with your normal business practices
- > Do comply with the procedures set out in the Quest rules for authorization of EBT benefits if your terminal fails to print EBT benefit issuance information as approved and validated as a legitimate transaction

- > Do provide a receipt for each EBT transaction to the applicable EBT recipient
- > Do provide EBT benefits for EBT recipients from all states
- > Do notify us promptly if you plan to stop accepting EBT cards and providing EBT benefits or if you are unable to comply with this section or the Quest rules
- > Do adequately display any applicable state's service marks or other licensed marks, including the Quest marks, and other materials supplied by us in accordance with the standards set by the applicable state
- > Do use any marks only to indicate that EBT benefits are issued at your location(s)
- > Do maintain adequate cash on hand to issue EBT service provider authorized cash benefits
- > Do issue cash benefits to EBT recipients in the same manner and to the same extent cash is provided to your other customers

## DON'TS

- > Don't accept EBT cards or provide EBT benefits at any time other than in compliance with this section or the Quest rules
- > Don't designate and direct EBT recipients to special checkout lanes restricted to use by EBT recipients unless you also designate and direct other customers to special checkout lanes for debit cards, credit cards or other payment methods such as checks other than cash
- > Don't resubmit any EBT card transaction except as specifically permitted by the applicable Quest rules and procedures
- > Don't accept any EBT card for any purpose other than providing EBT benefits, including without limitation accepting an EBT card as security for repayment of any EBT recipient obligation to you. If you violate this requirement, you will be obligated to reimburse the state or us for any EBT benefits unlawfully received by either you or an EBT recipient to the extent permitted by law.
- > Don't dispense cash for FNS, SNAP, and WIC Benefits
- > Don't disclose individually identifiable information relating to an EBT recipient or applicant for EBT benefits without prior written approval of the applicable state
- > Don't use the marks of any EBT service provider without prior written approval from such EBT service provider
- > Don't indicate that we, any state, or its EBT service provider endorse your goods or services

- > Don't require, or in your advertising suggest, that any EBT recipient must purchase goods or services from you as a condition to receiving cash benefits, unless such condition applies to other customers as well

You must take sole responsibility for the provision of any EBT benefits other than in accordance with authorizations received from the EBT service provider.

If an authorized terminal is not working or the EBT system is not available:

## DO'S

- > Do manually accept EBT cards and manually provide EBT benefits in the amount authorized through the applicable EBT service provider to the EBT recipients at no cost to the EBT recipients upon presentation by an EBT recipient of their EBT card
- > Do obtain an authorization number for the amount of the purchase from the applicable EBT service provider while the respective EBT recipient is present and before you provide the EBT recipient with any FNS, SNAP and WIC benefits, or cash benefits, as applicable
- > Do properly and legibly enter the specified EBT recipient, clerk and sales information, including the telephone authorization number, on the manual sales draft
- > Do clear all manual vouchers authorizations on your point of sale terminal within fourteen (14) days after the date of applicable voice authorization. If a voucher expires before it has been cleared by your terminal for payment, no further action can be taken to obtain payment for the voucher.

## DON'TS

- > Don't attempt to voice authorize a manual EBT transaction if the EBT recipient is not present to sign the voucher. The EBT recipient must sign the voucher. You must give a copy of the voucher to the EBT recipient at the time of authorization and retain one copy for your records.
- > Don't re-submit a manual sales draft for payment for a transaction if you have not received an authorization number
- > Don't mail vouchers requesting payment

You must take sole responsibility for (and you will not be reimbursed in respect of) a manual transaction, if you fail to obtain an authorization number from the applicable EBT service provider in accordance with this section or otherwise fail to process the manual transaction in accordance with the Quest rules, except as specifically provided in the Quest rules.



## Part II

Gives you information about transaction types (i.e., chargebacks and retrievals)

This part of “Your Payments Acceptance Guide” reviews essential elements of a transaction, including authorizations, issuing refunds and exchanges, and handling special transactions like recurring payments. You’ll also find information about chargebacks and processes to put in place to avoid chargebacks. Feel free to contact Customer Service with any questions that arise as you review this information.

## 9 Authorizations

### General

- > You must obtain an authorization approval code from us for all transactions
- > A positive authorization response remains valid for the time frame set out in Section 19
- > An authorization approval code only indicates the availability of funds on an account at the time the authorization is requested. It does not indicate that the person presenting the card is the rightful cardholder, nor is it a promise or guarantee that you will not be subject to a chargeback or adjustment.
- > You must not attempt to obtain an authorization approval code from anyone other than us, unless we have authorized you to use a third-party authorization system as set out in Section 9. An authorization approval code from any other source may not be valid.
- > If you use Address Verification Services (AVS), you must review the AVS response separately from the authorization response and make your own decision about whether to accept the transaction. A transaction may receive an authorization approval code from the card-issuing bank even if AVS is unavailable or reflects that the address provided to you does not match the billing address on file at the card-issuing bank.
- > If you receive a referral response to an attempted authorization, you must not:
  - Submit the transaction without calling for and receiving a voice authorization
  - Attempt another authorization on the same card through your POS device
- > You must not attempt to obtain multiple authorizations for a single transaction. If a sale is declined, do not take alternative measures with the same card to obtain an approval of the sale from other authorization sources. Instead, request another form of payment.
- > If you fail to obtain an authorization approval code or if you submit a card transaction after receiving a decline

(even if a subsequent authorization attempt results in an authorization approval code), your transaction may result in a chargeback and it may be assessed fines or fees by the payment organizations for which you will be responsible. Fees currently range from \$25 to \$150 per transaction.

- > You will be charged for a request for an authorization approval code (where applicable), whether or not the transaction is approved
- > For Card Present transactions, it is highly recommended that you use your electronic authorization device to swipe (magnetic stripe), tap/wave (contactless), or insert (chip) cards

### Card Not Present transactions

It is highly recommended that you obtain the three-digit card verification code on the back of the card (or the four-digit verification code on the front of American Express cards) and that you include this code with each Card Not Present authorization request unless the transaction is a recurring transaction.

For recurring transactions, submit the card verification code only with the first authorization request and not with subsequent authorization requests.

For American Express Card Not Present transactions, please also refer to Appendix 2. For Discover Network Card Not Present transactions, please also refer to Appendix 3. PayPal and Alipay do not allow Card Not Present transactions.

### Authorization via telephone (other than terminal/electronic device users)

- > You must call your designated Voice Authorization Toll-Free Number and enter the authorization information into the VRU using a touch-tone phone or hold for an authorization representative
- > If the Voice Authorization Center asks you to obtain identification from the cardholder before issuing an approval code, you must clearly write the appropriate identification source and numbers in the space provided on the sales draft

- > If the Voice Authorization Center asks you to confiscate a card, do not take any action that will alarm or embarrass the card presenter, and send the card to Rewards Department, P.O. Box 5019, Hagerstown, MD 21740. You may be paid a reward for the return of the card.
- > If the sale is declined, please remember that our operators are only relaying a message from the card-issuing bank. The fact that a sale has been declined must not be interpreted as a reflection of the cardholder's creditworthiness. You must instruct the cardholder to call the card-issuing bank.

### Authorization via electronic devices

- > If you use an electronic terminal to obtain authorization approval codes, you must obtain the authorization approval codes for all sales through this equipment
- > If your terminal malfunctions, please refer to your "Quick Reference Guide" or call the POS Help Desk. Please remember to check your terminal periodically because most terminal problems are temporary in nature and are quickly corrected.
- > If a terminal is moved or if wires are disconnected, causing malfunction, call the POS Help Desk immediately and follow their instructions. You may be responsible for any service charges incurred for reactivation of the terminal.
- > Until the terminal becomes operable, you must call your designated Voice Authorization Toll-Free Number and enter authorization information into the VRU using a touch-tone phone. During this time, each transaction must be imprinted using a manual Imprinter machine.

### Call the following for other card types, each of which is available 24 hours/day; 7 days/week:

American Express Direct	1-800-528-2121
JCB, International (For YEN and CAD currency only)	1-800-522-9345
TeleCheck	1-800-366-5010
Voyager	1-800-987-6589
WEX	1-800-842-0071

You must enter manually all approved sales that have been authorized in this manner as "post authorization" transactions into the terminal, once the terminal becomes operational. You must enter all credit transactions into the terminal for data capture. If you receive a referral and subsequently receive an approval, you may be subject to a chargeback. You must imprint the card using a manual

### Third-party authorization systems

If you have contracted to use one of our authorization services, you must not use another third-party authorization system without notifying Customer Service. Otherwise, we will be unable to successfully research and defend any authorization related chargebacks on your behalf. This delay will significantly decrease your time to research and provide proof of authorization, thus reducing your opportunity to reverse a chargeback.

If you use another authorization network:

- > You will be responsible for the downgrade of any transactions to a higher cost interchange that result from any mismatch of information to our systems and those of third-party authorization networks
- > Liability resulting from discrepancies with that network must be resolved between you and that network. We will not research chargebacks resulting from authorization approval codes obtained from another authorization service organization. Such chargebacks will be passed through to you for resolution. If an authorization provided by a third-party authorization system is challenged in a chargeback, you must obtain proof (e.g., third-party authorization logs) from the authorization source and submit it to us within the time frame specified on the chargeback documentation.

imprinter machine to reduce the risk of such a chargeback. For specific procedures on electronic data capture, refer to the "Terminal Operating Instructions/Users Guide." If the terminal malfunctions for more than twenty-four (24) hours, contact Customer Service for further instructions on processing your transactions.



## Automated dispensing machines

You must produce records for all transactions originating with automated dispensing machines or limited amount terminals. Such records must include the last four digits of the cardholder account number, merchant's name, terminal location, transaction date, identification of transaction currency, transaction type (purchase), authorization code, and amount.

For Discover Network transactions, please refer to Appendix 3 for instructions on how to cancel an authorization. For PayPal transactions, please refer to Appendix 4 for instructions on how to cancel an authorization.

## Partial authorization and authorization reversal

Partial authorization provides an alternative to a declined transaction by permitting a card-issuing bank to return an authorization approval for a partial amount. This amount is less than the transaction amount requested because the available card balance is not sufficient to approve the transaction in full. The cardholder is able to use the funds remaining on the card to pay for a portion of the purchase and select another form of payment (in other words, another payment card, cash, check) for the remaining balance of the transaction.

- For Mastercard transactions, partial authorization is optional for batch authorized ecommerce transactions, mail order, telephone order transactions and recurring payment transactions
- For Discover transactions, partial authorization support is optional for Card Not Present transactions. If you support partial authorizations, a partial authorization indicator must be included in each authorization request.

You must submit an authorization reversal if the authorization is no longer needed, a partial amount of the total authorized is submitted for the settled transaction, or the cardholder elects not to complete the purchase. The transaction sent for settlement must be no more than the amount approved in the partial authorization response. If you wish to support partial authorization functionality, you must contact Customer Service for additional rules and requirements.

## 10 Special types of transactions

### Payment by installments

If a cardholder makes a deposit toward the full amount of the sale price and pays the balance on delivery, please follow the procedures set out in this section.

## DO'S

- > Do execute two separate sales drafts and obtain an authorization for each sales draft on each transaction date
- > Do indicate on each sales draft:
  - Whether it is for the deposit or the balance of payment
  - The authorization date and approval code
- > Do submit and seek authorization of each delayed delivery transaction under the same merchant identification number and treat deposits on the card no differently than you treat deposits on all other payment products
- > Do complete Address Verification for each "balance" authorization
- > Do obtain proof of delivery upon delivery of the services/merchandise purchased

## DON'TS

- > Don't submit sales data to us relating to the "balance" until the goods have been completely delivered or the services fully provided

If delivery occurs after the time frames set out in Section 19, you must obtain a new authorization for the unprocessed portion of the transaction prior to delivery. If the transaction is declined, contact the cardholder and request another form of payment.

For example: On January 1, a cardholder orders \$2,200 worth of furniture and you receive an authorization for the full amount; however, only a \$200 deposit is processed leaving a \$2,000 balance remaining on the furniture. An authorization reversal must be processed for \$2,000. When the goods are available to ship, the \$2,000 transaction balance must be reauthorized.

## Advance payment charges

If you permit or require cardholders to make advance payment charges for the following types of goods or services, please follow the procedures set out in this section:

- > Custom-orders (e.g., orders for goods to be manufactured to a customer's specifications)
- > Ticketing for events or entertainment (e.g., sporting events, or concerts)
- > Tuition, room, board, and other mandatory fees (e.g., library or other students services fees at universities)

- > Tickets for airlines, rail lines, cruise lines, lodging, and other travel-related services (e.g., tours or guided expeditions)
- > Vehicle rentals
- > In-store merchandise not immediately available (e.g., merchandise pre-purchased for an upcoming sale event or merchandise on layaway)

For all advance payment transactions:

- > Do state your full cancellation and refund policies
- > Do clearly disclose your intention to receive advance payment
- > Before you request an authorization, do obtain written consent from the cardholder to bill the card for an advance payment charge

The cardholder's consent must include (1) a detailed description of the goods or services to be provided, and (2) his or her agreement to all of the terms of the sale (including price, any cancellation or refund policies), and the expected delivery date of the goods or services;

- > Do obtain an authorization approval
- > Do complete a sales draft
- > If you cannot deliver the goods or services (e.g., because custom-ordered merchandise cannot be fulfilled) and cannot make other arrangements, do immediately issue a credit for the full amount of the advance payment charge

For Card Not Present transactions involving an advance payment:

- > Do ensure that the sales draft contains the words "Advance Payment"
- > Within twenty-four (24) hours of the advance charge being authorized, do provide the cardholder with written confirmation (e.g., by email or facsimile) that advance payment charge has been made, the written confirmation must include (1) a detailed description of the goods or services to be provided; (2) the amount of the charge; (3) the confirmation number (if applicable); (4) the details of any cancellation or refund policies; and (5) the expected delivery date of the goods or services

## Recurring transactions

If you process recurring transactions and charge a cardholder's account periodically for goods or services (e.g., yearly subscriptions, annual membership fees, etc.), please follow the procedures set out in this section.

## DO'S

- > Do obtain written cardholder approval for goods or services to be charged on a recurring basis to the cardholder's account. Approval must at least specify:
  - The cardholder's name, address, account number, and expiration date
  - The transaction amounts
  - The timing or frequency of recurring charges
  - The duration of time for which the cardholder's approval is granted
  - For Discover Network and PayPal transactions, the total amount of recurring charges to be billed to the cardholder's account, (i.e., taxes and tips), and your merchant identification number
- > Do obtain an authorization for each transaction
- > Do include the recurring payment indicator in each authorization request, and as applicable, each batch submission entry
- > Do indicate on the sales draft "Recurring Transaction" (or "P.O." for Mastercard transactions)
- > For Discover Network and PayPal recurring transactions, do include a toll-free customer service number that the cardholder can call to cancel his/her approval for the recurring transaction or to obtain other assistance relating to the recurring transaction

## DON'TS

- > Don't include partial payments for goods or services purchased in a single transaction
- > Don't impose a finance charge in connection with the recurring transaction or preauthorized order
- > Don't complete a recurring transaction after receiving a cancellation notice from the cardholder or card-issuing bank or after a request for authorization has been denied
- > Don't store a payment credential if either the first payment transaction or account verification is declined

It is highly recommended that you obtain the three-digit card verification code on the back of the card (or the four-digit verification code on the front of American Express cards), include the number with the first authorization request. This is not required for subsequent authorization requests.

A positive authorization response for one recurring transaction is not a guarantee that any future recurring transaction authorization request will be approved or paid.

If the recurring transaction is renewed, you must obtain from the cardholder a new written request for the continuation of such goods or services to be charged to the cardholder's account.

If you or we have terminated your right to accept cards, you must not submit authorization requests or sales data for recurring transactions that are due after the date of such termination.

For American Express transactions please also see Appendix 2.

### Stored payment credential transactions

If you store information (including, but not limited to, an account number or payment token) to process future purchases on behalf of the cardholder, follow the procedures set out in this section.

#### DO'S

- > Do include the appropriate data values when a payment credential is being stored for the first time
- > Do include the appropriate data values when a payment credential is being used to initiate a stored credential transaction
- > Do include the appropriate data values when a payment credential is being used to identify an unscheduled credentials on file transaction
- > Do submit a valid authorization if an amount is due at the time the payment credential is being stored
- > Do submit an authorization verification if no payment is due at the time the payment credential is being stored

#### DON'TS

- > Don't store a payment credential if either the first payment transaction or account verification is declined

### Card checks

If you accept card checks, you must treat checks from all the payment organizations that you accept equally (e.g., if you accept Mastercard and American Express, your check acceptance policy must treat checks for both of these payment organizations equally). You should handle these card checks like any other personal check drawn upon a bank in the United States.

## 11 Sales drafts

### DO'S

- > Do prepare a sales draft for each transaction and provide a copy of the sales draft or transaction receipt to the cardholder at the time the card transaction is completed. An exception is eligible transactions participating in any of the 'No Signature Required' programs.
- > Do only collect transaction data provided directly to you by the cardholder
- > Do include all of the following information on a single page document constituting the sales draft
  - The cardholder's account number
  - Cardholder's signature, unless you participate in any of the 'No Signature Required' programs. For the 'No Signature Required' programs, Visa, Mastercard, Discover, and American Express does not require you to obtain signatures at the point-of-sale for credit or debit transactions unless required by law
  - Date of the transaction
  - The total amount of the transaction, including any taxes to be collected, in the approved currency of the sale
  - Description of the goods or services involved in the transaction - if there are too many items, combine them into one description; (e.g., "clothing") to ensure that all information is contained on a single page
  - Description of your merchandise return and credit/refund policy
  - A valid authorization code
  - Merchant's Doing Business As ("D/B/A") name and location (city and state required) and merchant identification number. The merchant identification number is optional but if provided for Discover, include only the last four digits
- > If the card has a magnetic stripe and the POS device fails to read the magnetic stripe, or if you are required to obtain a voice authorization, you must also use a manual imprinting machine to make a clear impression of the card on the same side of the signed sales draft. If you work in the face-to-face sales environment, you may include the card verification code in the authorization request for U.S. domestic key-entered transactions in lieu of taking a manual card imprint, except for Discover.

## DON'TS

- > Don't include the card expiration date or any more than the last four digits of the card number in the copy of the sales draft which you provide to the cardholder
- > When imprinting sales drafts, you must not alter the cardholder account number, circle or underline any information on the sales draft or alter a sales draft in anyway after the transaction has been completed and signed. Stray marks and other alterations on a sales draft may result in it becoming unreadable or illegible.

If you are EMV® enabled, you may elect to participate in the 'No Signature Required' programs. For the 'No Signature Required' programs, you are not required to:

- > Provide a transaction receipt, unless requested by the cardholder; or
- > Obtain the cardholder's signature provided you transmit the full track data/full chip card data in the authorization request regardless of the sale amount.

## 12 Refunds

### DO'S

- > Do provide clear instructions to your customers regarding returns, including the following:
  - Customer service telephone number
  - Reference number for the return
  - Expected processing time for the credit
  - Return address, preferably on a pre-formatted shipping label (if applicable)
- > Do document your cancellation policy and terms and conditions on the contract the cardholder signs, or on your website, as applicable
- > Do create a credit draft containing the following information for every refund:
  - The account number
  - The cardholder's name
  - Your name, city, state, and merchant identification number. The merchant identification number is optional but if provided for Discover, only include the last four-digits.
  - Transaction type
  - A description of the goods or services
  - The transaction date of the credit; the total amount of the credit

- For Discover Network transactions, the approved currency used and the signature of your authorized representative or employee
- for PayPal transactions, the approved currency used and the signature of your authorized representative or employee
- > Do submit all credit drafts to us within the time frames set out in Section 19
- > Do submit each credit under the establishment where the credit originated
- > Do provide full refunds for the exact dollar amount of the original transaction including tax, handling charges, etc., and in no circumstances provide a refund amount for more than the original card sale amount
- > Do write clearly all amounts and other handwritten information – stray marks on the credit draft will render it illegible
- > If the card cannot be swiped for any reason, do imprint the credit draft with the same card used by the cardholder to make the original purchase when applicable
- > Do ensure that the cardholder signs the credit draft, give the cardholder the appropriate copy, and deposit the credit draft immediately

### DON'TS

- > Don't circle or underline any information on the credit draft
- > Don't credit an account that differs from the account used for the original transaction
- > Don't include the card expiration date or any more than the last four digits of the card number in the copy of the credit draft which you provide to the cardholder
- > Don't give cash, check credit refunds or other consideration for card sales, with the exception of the following type of Visa transactions only:
  - Visa Easy Payment Service Transaction or if EMV enabled and participating in Visa's "No Signature Required" program
  - the recipient of the gift is not the cardholder
  - Visa prepaid card transaction if the cardholder states that the Visa prepaid card has been discarded
- > Don't intentionally submit a sale and an offsetting credit at a later date solely for the purpose of debiting and crediting your own or a customer's account
- > Don't process a credit transaction after a chargeback has been received

Authorization is not required for credits.

Your website must communicate your refund policy to your customers and require your customers to select a “click-to-accept” or another affirmative button to acknowledge the policy. The terms and conditions of the purchase must be displayed on the same screen view as the checkout screen that presents the total purchase amount, or within the sequence of website pages the cardholder accesses during the checkout process.

For American Express transactions, please also refer to Appendix 2.

## 13 Exchanges

For an even exchange, no additional paperwork is necessary and you may simply follow your standard company policy.

For an uneven exchange, you must complete a credit draft, and follow the procedures outlined in Section 11 for the total amount of the goods returned. The cardholder's account will be credited for that amount. Then, complete a new sales draft for the total amount of any new goods purchased.

## 14 Chargebacks, retrievals, and other debits

### Chargebacks

Both the cardholder and the card-issuing bank have the right to question or dispute a transaction. If such questions or disputes are not resolved, a chargeback may occur. You are responsible for all chargebacks, our chargeback fees and related costs arising from your transactions. As a result, we will debit your settlement account or settlement funds for the amount of each chargeback.

Due to the short time frames and the supporting documentation necessary to successfully (and permanently) reverse a chargeback in your favor, we strongly recommend that:

- > You adhere to the guidelines and procedures outlined in this guide
- > If you do receive a chargeback, investigate, and if you dispute the chargeback, submit the appropriate documentation within the required time frame
- > Whenever possible, contact the cardholder directly to resolve the dispute (except with respect to a Discover Network cardholder with whom direct contact regarding the dispute is prohibited by Discover Network Card Organization Rules)
- > If you have any questions, call Customer Service

You must not process a credit transaction once a chargeback is received, even with cardholder authorization, as the credits may not be recoverable and you may be financially responsible for the credit as well as the chargeback. Instead, the card-issuing bank will credit the cardholder's account.

### Chargeback process

If the card-issuing bank submits a chargeback, we will send you a chargeback notification, which may also include a request for transaction documentation. Due to the short time requirements imposed by the payment organizations, it is important that you respond to a chargeback notification and transaction documentation request within the time frame set out in the notification.

Upon receipt of a transaction documentation request, you must immediately retrieve the requested sales draft(s) using the following guidelines:

- > Make a legible copy, centered on 8-1/2 x 11-inch paper (only one (1) sales draft per page)
- > Write the ‘case number’ from the request for transaction documentation on each copy/page
- > If applicable, make copies of a hotel folio, car rental agreement, mail/phone/Internet order form, or other form of receipt
- > If a credit transaction has been processed, make a copy of the credit draft
- > Letters are not acceptable substitutes for sales drafts
- > Fax or mail legible copies of the sales draft(s) and credit drafts, if applicable, to the fax number or mail address provided on the request form
- > If you fax your response, please (i) set your fax machine to print your fax number and name on the documents that you send, and (ii) set the scan resolution on your fax machine to the highest setting. We can use this information to help determine where the documentation received originated from if additional research is required, and the higher resolution setting improves the clarity of characters and graphics on the documentation transmitted and helps reduce the number of illegible fulfillments and chargebacks.

We strongly recommend that you also include a detailed rebuttal letter along with all pertinent documents when responding to a transaction request or a chargeback notification (for example, rental agreement, imprinted portion of the invoice or sales draft; the portion signed by the cardholder; and the area where the authorization codes, with amounts and dates, are located).



If the information you provide is both timely and, in our sole discretion, sufficient to warrant a re-presentation of the transaction or reversal of the chargeback, we will do so on your behalf. However, a re-presentation or reversal is ultimately contingent upon the card-issuing bank and/or cardholder accepting the transaction under applicable payment organization guidelines. Re-presentation or reversal is not a guarantee that the chargeback has been resolved in your favor.

If we do not receive a clear, legible and complete copy of the transaction documentation within the time frame specified on the request, you may be subject to a chargeback for “non-receipt” for which there is no recourse.

If you do not dispute the chargeback within the applicable time limits as set by the payment organization rules and regulations, you will forfeit your reversal rights. Our only alternative, which is available for Visa and Mastercard only, is to attempt a “good faith collection” from the card-issuing bank on your behalf for non-fraud chargeback reason codes. This process can take up to six (6) months and must meet the card-issuing bank’s criteria (for example, at or above a set dollar amount). Good faith collection attempts are not a guarantee that any funds will be collected on your behalf. Card-issuing banks normally charge good faith collection fees, which are deducted from the transaction amount if accepted in addition to any processing fees that are charged by us.

The card-issuing bank may charge a handling fee which will be debited from your settlement account or settlement funds if a transaction documentation request results from a discrepancy between the sales draft and the transmitted record regarding any of the following:

- > The name of your business
- > The city, state, or country listed for your business
- > The transaction date

**Visa:** If we reverse the chargeback and re-present the transaction to the card-issuing bank, the card-issuing bank, at its sole discretion, may elect to submit the matter for arbitration before Visa. Visa currently charges a filing fee and a review fee. Whether or not a decision is made in your favor, you will be responsible for all such fees and charges and any other applicable fees and charges imposed by Visa. Such fees and charges will be debited from your settlement account or settlement funds, in addition to the chargeback.

**STAR:** If we reverse the chargeback and re-present the transaction to the card-issuing bank, the card-issuing bank, at its sole discretion, may elect to submit the matter for arbitration before STAR. Whether or not a decision is made

in your favor, you will be responsible for all fees and charges relating to that arbitration and any other applicable fees and charges imposed by STAR. Such fees and charges will be debited from your settlement account or settlement funds, in addition to the chargeback.

**Mastercard:** If we reverse the chargeback and re-present the transaction to the card-issuing bank, the card-issuing bank, at its sole discretion, may elect to resubmit the chargeback. In such event, at our discretion, we will debit your settlement account or settlement funds for the chargeback. However, if you feel strongly that it is an invalid chargeback, we may, on your behalf and at your request, submit the matter for arbitration before Mastercard. Mastercard currently charges a filing fee and a review fee. Whether or not a decision is made in your favor, you will be responsible for all such fees and charges, and any other charges imposed by Mastercard. Such fees and charges will be debited from your settlement account or settlement funds, in addition to the chargeback.

**Discover Network:** If Discover Network rejects our re-presentation request and you feel strongly that the chargeback is invalid, we may, at our discretion and on your behalf and at your request, submit the matter for dispute arbitration before Discover Network. Discover Network charges acquirers fees for re-presentation requests and matters submitted to Discover Network for arbitration. We, in turn, may charge you fees for these items.

**PayPal:** If PayPal rejects our re-presentation request and you feel strongly that the chargeback is invalid, we may, at our discretion and on your behalf and at your request, submit the matter for dispute arbitration before PayPal. PayPal charges acquirers fees for re-presentation requests and matters submitted to PayPal for arbitration. We, in turn may charge you fees for these items.

**American Express:** You may request a chargeback reversal if the chargeback was applied in error, provided that (i) you have responded to the original inquiry within the specified time frame set out in your dispute notification, and (ii) you have provided all supporting documentation to substantiate the error.

**Alipay:** Refer to Appendix 5.

## Chargeback reasons

The following section outlines the most common types of chargebacks. This list is not exhaustive. Within each group, we have included recommendations on how to reduce the risk of chargebacks. These are recommendations only, and do not guarantee that you will eliminate chargebacks.

## Chargebacks due to authorization

### Description

Proper authorization procedures were not followed and valid authorization was not obtained.

### Likely scenario

- > Authorization not obtained
- > Authorization was declined
- > Transaction processed with an expired card and authorization was not obtained
- > Transaction processed with an invalid account number and authorization was not obtained
- > Card Recovery Bulletin (CRB) or Exception File was not checked (transactions below floor limit)

## Recommendations to reduce the risk of chargeback

- > Obtain valid authorization on the day of the transaction
- > If you receive the following responses:
  - Decline – request another form of payment from the cardholder
  - Referral – follow the voice procedures to obtain a valid authorization and obtain an imprint of the card
  - “Pick-up” – means that the card-issuing bank is asking for the card to be returned – you must not accept the card for payment and, in addition, you may retain the card and send it to us so that we can arrange for its return to the card-issuing bank
- > You must not exceed any pre-determined thresholds for specific POS device types as specified by each payment organization
- > You must ship goods within the time frame set out in Section 19, after you have obtained authorization

## Chargebacks due to cancellation and returns

### Description

Credit was not processed properly or the cardholder has canceled or returned items.

### Likely scenario

- > Cardholder received damaged or defective merchandise
- > Cardholder continued to be billed for canceled recurring transaction
- > Credit transaction was not processed

## Recommendations to reduce the risk of chargeback

- > Issue credit to the cardholder on the same account as the purchase in a timely manner
- > Do not issue credit to the cardholder in the form of cash, check or in-store/merchandise credit as we may not be able to recoup your funds if the transaction is charged back
- > For recurring transactions ensure customers are fully aware of the conditions:
  - Cancel recurring transactions as soon as notification is received from the cardholder or as a chargeback, and issue the appropriate credit as needed to the cardholder in a timely manner
  - Notify the cardholder within 10 days (domestic) and 15 days (international) in advance of each billing, to allow the cardholder time to cancel the transaction
- > Provide proper disclosure of your refund policy for returned/canceled merchandise, or services to the cardholder at the time of transaction. Card present, cardholder signed the sales draft containing disclosure.
- > If applicable, the words “NO EXCHANGE, NO REFUND,” etc. must be clearly printed in 1/4-inch lettering on the sales draft:
  - Ecommerce, provide disclosure on your website on the same page as check out. Require the cardholder to click to accept prior to completion.
  - Card Not Present, provide the cancellation policy at the time of the transaction
- > For any Travel & Entertainment (T&E) transaction, provide cancellation numbers to cardholders when the services are canceled
- > Ensure delivery of the merchandise or services ordered to the cardholder
- > Participate in recommended fraud mitigation tools

## Chargebacks due to fraud

### Description

Transactions that the cardholder claims are unauthorized; the account number is no longer in use or is fictitious, or the merchant was identified as “high risk.”

**NOTE:** For Visa transactions, to ensure that you preserve your chargeback rights, you must:

- > Complete a retrieval request and provide a sales slip that contains all required data elements

- > Respond to all retrieval requests with a clear legible copy of the transaction document that contains all required data elements within the specified time frame

#### Likely scenario

- > Multiple transactions were completed with a single card without the cardholder's permission
- > A counterfeit card was used and proper acceptance procedures were not followed
- > Authorization was obtained; however, full track data was not transmitted
- > The cardholder states that they did not authorize or participate in the transaction

#### Recommendations to reduce the risk of chargeback Card Present Transactions:

- > Obtain an authorization for all transactions
- > For recurring transactions ensure customers are fully aware of the conditions:
  - Cancel recurring transactions as soon as notification is received from the cardholder or as a chargeback, and issue the appropriate credit as needed to the cardholder in a timely manner
  - Notify the cardholder within 10 days (domestic) and 15 days (international) in advance of each billing, allowing the cardholder time to cancel the transaction
  - American Express customers have the option to receive written notification of the recurring transaction at least (10) days prior to submitting, or any time the charge amount exceeds a maximum amount that has been set by the cardholder
- > If you are utilizing an electronic device to capture card data, swipe, dip or wave all card transactions through your electronic authorization device to capture cardholder information. When applicable, ensure the displayed cardholder number matches the number on the card.
- > You should avoid keying the card data into your electronic authorization device unless you are unable to capture the card data through one of the above methods. If you do key the card data into your electronic authorization device, it is highly recommended that you also key in the three or four digit verification code. Otherwise, you should imprint the card using a valid imprinting device that will capture the embossed card and merchant information. You must write on the manually imprinted draft all pertinent information relating

to the transaction (transaction date, dollar amount, authorization code and merchandise description) and obtain the cardholder signature if you are not participating in the 'No Signature Required' program. Do not alter the imprint on the draft in any way. You are not protected from this type of chargeback by manually entering the information into the POS device.

**NOTE:** Do not imprint on the back of a signed sales draft. The imprint must be on the transaction document that contains all transaction elements to prove the card was present at the time of the transaction.

#### If you are not participating in the "No Signature Required" program:

- > Obtain the cardholder signature for all transactions; ensure the signature on the sales draft matches the signature on the back of the card
- > Process all transactions one time and do not batch out transactions multiple times
- > Educate staff on procedures to eliminate POS fraud

#### Card Not Present Transactions:

- > Ensure delivery of the merchandise or services ordered to the cardholder
- > Participate in recommended fraud mitigation tools:
  - Verified by Visa Program
  - Mastercard SecureCode
  - Address Verification Services (AVS)
  - Use of card verification code

**NOTE:** While transactions utilizing these tools may still be disputed, the service may assist you with your decision to accept certain cards for payment.

- > Ensure you ship to the AVS confirmed address (bill to and ship to must match)
- > Obtain authorization for all transactions
- > Ensure merchant descriptor matches the name of the business and is displayed correctly on the cardholder statement
- > Ensure descriptor includes correct business address and a valid customer service number
- > Please refer to Appendix 2 for American Express fraud mitigation tools



## Chargebacks due to cardholder disputes

### Description

Goods or services not received by the cardholder, Merchandise defective or not as described.

### Likely scenario

- > Services were not provided or merchandise was not received by the cardholder
- > Cardholder was charged prior to merchandise being shipped or merchandise was not received by agreed upon delivery date or location
- > Cardholder received merchandise that was defective, damaged, or unsuited for the purpose sold, or did not match the description on the transaction documentation/verbal description presented at the time of purchase
- > Cardholder paid with an alternate means and their card was also billed for the same transaction
- > Cardholder canceled service or merchandise and their card was billed
- > Cardholder billed for a transaction that was not part of the original transaction document
- > Cardholder claims to have been sold counterfeit goods
- > Cardholder claims the merchant misrepresented the terms of sale

### Recommendations to reduce the risk of chargeback

- > Provide Services or Merchandise as agreed upon and described to the cardholder; clearly indicate the expected delivery date on the sales receipt or invoice
- > Contact the cardholder in writing if the merchandise or service cannot be provided or is delayed, and offer the cardholder the option to cancel if your internal policies allow
- > If the cardholder received defective merchandise or the merchandise received was not as described; resolve the issue with the cardholder at first contact
- > If the merchandise is being picked up by the cardholder, have them sign for the merchandise after inspecting that it was received in good condition
- > Do not charge the cardholder until the merchandise has been shipped, according to the agreed upon terms, and a signed Proof of Delivery from the cardholder is obtained
- > If unable to provide services or merchandise, issue a credit to the cardholder in a timely manner
- > Accept only one form of payment per transaction. Ensure the cardholder is only billed once per transaction.

- > Do not bill cardholder for loss, theft or damages unless authorized by the cardholder
- > Ensure that a description of the service or merchandise provided is clearly defined

## Chargebacks due to processing errors

### Description

Error was made when transaction was processed or it was billed incorrectly.

### Likely scenario

- > The transaction was not deposited within the payment organization specified time frame
- > The cardholder was issued a credit draft. However, the transaction was processed as a sale.
- > The transaction was to be processed in a currency other than the currency used to settle the transaction
- > The account number or transaction amount used in the transaction was incorrectly entered
- > A single transaction was processed more than once to the cardholder's account
- > The cardholder initially presented the card as payment for the transaction. However, the cardholder decided to use an alternate form of payment.
- > A limited amount or self-service terminal transaction was processed for an amount over the pre-determined limit

### Recommendations to reduce the risk of chargeback

- > Process all transactions within the payment organization specified time frames
- > Ensure all transactions are processed accurately and only one time
- > If a transaction was processed more than once, immediately issue voids, transaction reversals or credits
- > Ensure that credit transaction receipts are processed as credits and sale transaction receipts are processed as sales
- > Ensure all transactions received a valid authorization approval code prior to processing the transaction. Also obtain a legible magnetic swipe or imprinted sales draft that is signed.
- > Do not alter transaction documentation or make any adjustments unless the cardholder has been contacted and agrees to modifications of the transaction amount
- > Ensure limited amount, self-service and automated fuel dispenser terminals are set properly to conform to the pre-determined limits

## Chargebacks due to non-receipt of information

### Description

Failure to respond to a retrieval request or the cardholder does not recognize the transaction.

### Likely scenario

- > The transaction documentation was not provided to fulfill the retrieval request
- > The retrieval request was fulfilled with an illegible sales draft or was an invalid fulfillment (incorrect sales draft or the sales draft did not contain required information that may include signature if you are not participating in the “No Signature Required” program)
- > The cardholder does not recognize or is unfamiliar with the transaction due to the merchant name or location not matching the name or location where the transaction took place

### Recommendations to reduce such risk of chargeback

- > Provide a clear and legible copy of the sales draft that contains all required data elements within the required time frame that is specified on the retrieval request
- > Ensure that the most recognizable merchant name, location and customer service phone number is provided on all transactions
- > Retain copies of all transaction documentation for the required time frame that is specified by each payment organization
- > Develop efficient methods to retrieve transaction documentation to maximize ability to fulfill requests

## 15 Suspect/Fraudulent transactions

If the card being presented or the behavior of the person presenting the card appears to be suspicious or you otherwise suspect fraud, you must immediately call the Voice Authorization Center and ask to speak to a Code 10 operator. Answer all their questions and follow their instructions.

While not proof that a transaction is fraudulent, the following are some suggestions to assist you in preventing fraudulent transactions that could result in a chargeback:

### Does the cardholder:

- > Appear nervous/agitated/hurried?
- > Appear to be making indiscriminate purchases (for example, does not care how much an item costs, the size, etc.)?

- > Make purchases substantially greater than your usual customer (for example, your average transaction is \$60, but this transaction is for \$360)?
- > Insist on taking the merchandise immediately (for example, no matter how difficult it is to handle, is not interested in free delivery, alterations, etc.)?
- > Appear to be purchasing an unusual amount of expensive items or the same items?
- > Take an unusual amount of time to sign the sales draft, or look at the back of the card as he signs?
- > Take the card from a pocket instead of a wallet?
- > Repeatedly come back, in a short amount of time or right before closing time, to make additional purchases?
- > Cause an unusual, sudden increase in the number and average sales transactions over a one-to three-day period?
- > Tell you he has been having some problems with his card-issuing bank and request that you call a number (that he provides) for “special” handling or authorization?
- > Have a previous history of disputed charges?
- > Place orders to be shipped to an address other than the billing address, or use anonymous/free email domains?
- > Place orders sent to zip codes or countries where you show a history of fraudulent claims?

### Does the card:

- > Have characters the same size, height, style, and all within alignment?
- > Appear to be re-embossed (the original numbers or letters may be detected on the back of the card)?
- > Have a damaged hologram?
- > Have a Magnetic Stripe on the back on the card?
- > Have “valid from” (effective) and “valid thru” (expiration) dates consistent with the sale date?

We also recommend that you are vigilant for any cardholder who behaves as follows, specifically in relation to prepaid cards:

- > Frequently makes purchases and then returns the goods for cash
- > Uses prepaid cards to purchase other prepaid cards
- > Uses large numbers of prepaid cards to make purchases

Gift Cards, jewelry, video, stereo, computer and camera equipment, shoes and men’s clothing are typically fraud-prone because they can easily be resold. Also be suspicious of high dollar amounts and transactions with more than one fraud-prone item, (e.g., two laptops, three gold chains, etc.).



## Part III

Gives you helpful information and guidelines for specific industries

In this part of the guide, you'll find helpful information about what to do if a card is left at your business, how long you must retain copies of records, how to return equipment, and important transaction time frames. This is also where you'll find additional guidelines for specific industries including:

- Lodging
- Travel & Entertainment
- Restaurants
- Vending machines
- Telecommunications
- Petroleum

If you'd like additional information about anything that you've read in the "Your Payments Acceptance Guide," please contact Customer Service.

## 16 Lost/Recovered cards

If a card is left behind and remains unclaimed, you should call the appropriate payment organization's Customer Service team via the number below and they will instruct you on how to handle it:

Visa	1-800-336-8472
Mastercard	1-800-826-2181
Discover	1-800-DISCOVER (1-800-347-2683)
AMEX	1-800-992-3404
PayPal	1-877-569-1113

## 17 Retention of records

You must securely retain legible copies of all sales drafts and credit drafts or any other transaction records for the following periods:

**Mastercard, Visa, and STAR:** Thirteen (13) months from the transaction date. Five (5) years for healthcare sales drafts and credit drafts.

**Discover Network:** The longer of (i) 365 days or (ii) the resolution of any pending or threatened disputes, claims,

disagreements or litigation involving the card transaction. You must also keep images or other copies of sales drafts

for no less than three (3) years from the date of the Discover Network transaction.

**PayPal:** The longer of (i) either (A) one (1) year from the transaction date, or (B) if the transaction date was subject to dispute, two (2) years from the transaction date, or (ii) the time period required by applicable law.

**American Express:** Twenty-four (24) months from the date on which you submitted the sales draft or credit draft to us. You must provide all sales drafts and credit drafts or other transaction records requested by us within the shortest time limits established by payment organization rules.

## 18 Return of equipment

To return point of sale POS equipment that you do not own, you must call Customer Service for the address of the location to send the device.



You must include the following information in the shipping box:

- > Your name, address, and phone number
- > The name of the person to contact if there are

any questions

- > Your merchant identification number
- > The lease number (if applicable)

- > The serial number of the POS device (found on the underside of the POS device)

You must return the POS device in a manner that can be tracked. Reference the lease number (if applicable) on the return packaging.

## 19 Time frames

### Authorizations

A positive (approved) authorization response remains valid for:

- > Seven (7) days for Mastercard electronic processed transactions
- > Ten (10) days for Visa, Discover, and STAR electronic processed transactions subject to the following exception:
  - Thirty (30) days for Visa, Discover and PayPal, twenty (20) days for STAR for the following Industries
  - Car rental
  - Airline and passenger railway
  - Lodging
  - Other Travel & Entertainment (T&E) categories.
- > Seven (7) days for American Express electronic processed transaction subject to the following exception:
  - Thirty (30) days for the Travel & Entertainment (T&E) industries

### Delayed deliveries

If delivery is more than:

- Seven (7) days (Mastercard, Visa, American Express, and STAR transactions)
- Ten (10) days (Discover Network and PayPal transactions)
- After the original transaction date and the initial authorization request, you must reauthorize the unprocessed portion of the transaction prior to delivery

### Refunds

You must submit all credit drafts to us within five (5) days of determining that a credit is due.

## 20 Additional provisions for specific industries

### Merchants in the lodging industry

There are additional rules and requirements that apply to merchants in the lodging industry for practices including, but not limited to, guaranteed reservations and charges for no shows, advance deposits, overbookings, and priority checkout.

If you are a lodging merchant and wish to participate in the payment organization lodging services programs, please contact your sales representative or relationship manager for details and the appropriate payment organization requirements.

You must provide the cardholder with written confirmation of a guaranteed reservation. The confirmation must contain:

- > Cardholder's name as it appears on the card, if present
- > Card number, truncated where required by applicable law to you or us and card expiration date if present, unless prohibited by applicable law to you or us
- > Reservation confirmation number
- > Anticipated arrival date and length of stay
- > The cancellation policy in its entirety, inclusive of the date and time the cancellation privileges expire
- > Any other pertinent details related to the reserved accommodations

If a cardholder requests a cancellation in accordance with your cancellation policy and specified time frames, you must provide the cardholder with a cancellation number and instructions to retain a record of it.

If a cardholder requests a written confirmation of the cancellation, you must provide this confirmation to the cardholder within three (3) business days of such request. For the purposes of this section, a "business day" means Monday through Friday, excluding Bank holidays.

The cancellation confirmation must contain:

- > The cardholder's reference that charges were placed on the card, if applicable, or a guarantee that a "no-show" charge will not be placed on the card

- > The cardholder's name as it appears on the card, if present
- > The card number, truncated as required by applicable law to you or us
- > The card expiration date, if present, unless prohibited by applicable law to you or us
- > The reservation cancellation number
- > The date of cancellation
- > The name of your employee that processed the cancellation
- > Any other pertinent information related to the reserved accommodations

#### **Pre-authorization for Travel & Entertainment (T&E) and restaurant merchants**

If you are a business engaged in providing travel and entertainment services (e.g., car rentals, hotels, motels, etc.) or a restaurant business, and engage in the practice of "pre-authorization" you must comply with the following general procedures:

- > A hotel, motel, or car rental merchant may obtain an estimated authorization at the time of check-in
- > Restaurants must not add an estimated tip amount to the authorization request beyond the value of the goods provided, or services rendered, plus any applicable tax
- > You must notify the cardholder of the dollar amount you intend to "Pre-Authorize"
- > If the customer decides to use another form of payment (for example, cash, check, etc.) you must promptly call the Voice authorization Response Unit to delete the authorization hold. Provide the cardholder's account number, original dollar amount and date of the transaction, and the authorization code. If a new transaction takes place, a new imprinted and signed sales draft for the exact amount and a new authorization code for that amount must be obtained.
- > **VEHICLE RENTAL PROVIDERS MAY NOT INCLUDE POTENTIAL VEHICLE DAMAGE OR INSURANCE DEDUCTIBLES IN ANY PREAUTHORIZATIONS.**
- > If you receive a decline on a transaction, you must wait twenty-four (24) hours before attempting to reauthorize. If you reauthorize prior to this time frame and receive an approval, you may be subject to a chargeback and a fine imposed by the payment organizations.

- > Hotels, motels, and car rental merchants are allowed up to a 15% variance above the amount authorized. If the final amount charged to the cardholder exceeds the original estimate by more than 15% above the preauthorization, you must authorize any additional amounts, and all incremental authorization codes must be written in the authorization area along with the date of authorization and the amount authorized.
- > Pre-authorization for certain establishments services, are allowed up to a 20% (instead of 15%) variance above the amount authorized. If the final amount exceeds the amount "preauthorized" by more than 20%, you must authorize the additional amount. Estimating the authorization amount to include a tip is prohibited. The authorization request must include only the amount associated with the bill presented to your customer.
- > You must obtain an authorization for the initial estimated charges and then monitor the charges to ensure that the actual charges made do not exceed the estimated charges. If the actual charges exceed the amount of the initial estimated authorization (and any subsequent estimated authorizations), then you must secure a positive authorization for the additional amount. Subsequent authorizations must only be for the additional amount of total charges, and must not include any amounts already authorized.
- > The estimated amount of any pre-authorization for lodging accommodations must be based on
  - (i) The intended length of stay
  - (ii) The room rate
  - (iii) Applicable taxes and service charges
  - (iv) Other miscellaneous charges as dictated by experience
- > If an authorization request is declined, no charges occurring after that date will be accepted for that cardholder
- > You do not need to obtain a final authorization if the total sum of charges (the final amount) does not exceed 20% of the previously authorized charges. You must record the dates, authorized amounts, and their respective authorization approval codes on the sales draft(s).

#### **Merchants operating vending machines**

For Mastercard, if you are operating vending machines under MCC 5499 (Miscellaneous Food Stores-Convenience Stores, Markets, Specialty Stores), you need not provide a receipt at the time a transaction is conducted. However, if

a vending machine cannot provide a printed receipt, you must disclose and post instructions advising cardholders how a receipt may be obtained.

**Telecommunication service providers**

You must contact Customer Service for approval and further instructions, rules and requirements before conducting telecommunication transactions.

Telecommunication card sales occur when a telephone service provider is paid directly using a card for individual local or long-distance telephone calls, with the exception that prepaid telephone service cards are not and do not give rise to telecommunication card sales.

**The petroleum industry**

For Visa, Mastercard, STAR, American Express, Discover, and PayPal transactions, merchants operating in the petroleum industry that conduct card sales at Automated

Fuel Dispensers (AFDs), may submit an authorization request for \$1 to verify the validity of the card presented. Under such circumstances, you must submit an authorization advice message for the actual amount of the card sale within sixty (60) minutes of completion of fuel delivery regardless of whether you previously received a partial authorization response or a positive authorization response for any other amount. If you do not complete the card sale following receipt of an approved authorization response for any amount, a request to cancel the authorization request must be submitted within sixty (60) minutes of the completion of fuel delivery.

A close-up photograph of a person's hand holding a smartphone. The phone is held vertically, and the screen is partially visible, showing a colorful, abstract pattern. The background is heavily blurred, showing warm, golden light and indistinct shapes of people or objects in a public space. A dark blue, semi-transparent banner is overlaid on the bottom left of the image, containing the word 'Appendices' in white, bold, sans-serif font.

# Appendices



## Appendix 1

### Additional provisions for WEX and Voyager

#### WEX cards

If you participate in the WEX Full Service program, the following terms and conditions will apply:

#### DO'S

- > Do provide, at your own expense, all equipment necessary to permit the electronic acceptance of the WEX cards, including the operation and maintenance of the equipment, telecommunication link, and provision of all networking services
- > Do include in any request for authorization the following information:
  - WEX cardholder account number
  - Vehicle number
  - Card expiration date
  - Driver identification number
  - The amount of the transaction
  - The date and time of the transaction
  - The quantity of goods sold, unit price, and product code (the "Authorization Request Data")
  - An authorization number or other approval code from WEX for all manual WEX card sales (in other words, sales facilitated by a card imprinter)
- > Do ensure that the product detail of each transaction is accurate including:
  - The type of goods sold
  - Quantity of goods sold
  - Unit price/price per gallon (if applicable)
  - Taxes, and
  - Any coupons presented
- > Do ensure that the product detail outlined equals the total amount of the sale when calculated (e.g., product quantity x unit price must equal the product amount. The sum of all product amounts including taxes minus any coupons must equal the total transaction amount).
- > Do complete a WEX card sale only upon the receipt of an authorization approval message
- > Do provide a copy of the receipt for a WEX card sale upon the request of the cardholder, to the extent permitted by applicable law. The receipt

must not include the full account number or driver identification number.

- > Do require the cardholder to sign a receipt when a WEX card sale is not completed by an island card reader
- > Do take all commercially reasonable efforts to protect manual WEX card sales data from fraud or misuse
- > Do securely maintain a record of all WEX card sales (including the authorization request data) for a period of one year. You must produce such records upon the reasonable request of WEX.
- > Do notify us of any errors contained in a settlement report within forty-five (45) days of receipt of such report. We will not accept reprocessing requests for WEX transactions older than 90 days.
- > Do allow WEX to audit records, upon reasonable advance notice, related to the WEX Full Service
- > Do retransmit WEX card sales data when reasonably requested to do so

#### DON'TS

- > Don't submit a WEX card sale for processing unless a WEX card is presented at the time of the sale
- > Don't accept a WEX card if an expired card/decline message is received
- > Don't submit a WEX card sale for processing until the goods have been delivered or services performed
- > Don't accept a WEX card if it appears to be invalid or expired or there is reasonable belief that the WEX card is counterfeit or stolen
- > Don't divide the price of goods and services purchased in a single WEX card sale among two or more sales receipts
- > Don't permit a WEX card sale when only partial payment is made by use of the WEX card and the balance is paid with another bank card
- > Don't remove fuel tax at the point of sale is not permitted. For all payment system product codes that are taxable, the transaction dollar amount and price per gallon (PPG) must contain the sum of the fuel cost and PPG inclusive of all applicable Federal, State, County, Local, and other fuel taxes.

You acknowledge and agree that your sole remedies with respect to the WEX Full Acquiring services will be against us and not WEX, except to the extent that WEX knows of any fraud related to the WEX cards and fails to provide notice of such fraud or WEX commits fraud in respect to the WEX Full Acquiring Services.

### Voyager cards

- > You must check Fleet Cards for any printed restrictions at the point of sale
- > You must establish a fair policy for the exchange and return of merchandise
- > You must promptly submit credits to us for any returns that are to be credited to a Voyager cardholder's account
- > You must not give any cash refunds to any Voyager card holder in connection with a sale, unless required by law

In addition to the information set out in Section 11 (Sales Drafts), you must include the following information on a single page document constituting the sales draft for Voyager transactions:

- > All authorization request data for Voyager card sales must include the following:
  - Voyager cardholder account number
  - Card expiration date
  - Driver identification number
  - The amount of the transaction, date and time of the transaction
  - Quantity of goods sold, unit price, and product code (the "Authorization RequestData")
- > All manual Voyager card sales (in other words, sales facilitated by a card imprinter) must include:
  - The Authorization RequestData
  - An authorization number or other approval code from Voyager
  - The type of goods sold, quantity of goods sold, unit price/price per gallon (if applicable), taxes
  - Any coupons presented within the product
- > The product detail outlined must equal the total amount of the sale when calculated, in other words:
  - Product quantity x unit price must equal product amount
  - The sum of all product amounts including taxes minus any coupons must equal the total transaction amount

You must not remove fuel tax at the point of sale. For all payment system product codes that are taxable, transaction dollar amount and price per gallon (PPG) must contain the sum of the fuel cost and PPG inclusive of all applicable Federal, State, County, Local and other fuel taxes.

If there is an increase of 15% or more compared to the previous month in the number of Voyager transaction authorization calls that are not due to our or Voyager

system outages, we may, at our discretion, deduct telephone charges from the settlement of your Voyager transactions. Fees will not exceed \$0.25 (25 cents) per call.

Settlement of Voyager transactions will generally occur by the fourth banking day after we process the applicable card transactions. We will reimburse you for the dollar amount of sales you submit for a given day, reduced by the amount of chargebacks, tax exemptions, discounts, credits, and the fees set out in the Agreement. You must notify us of any errors contained with the settlement reports within 30 calendar days of receipt of such report. Neither we nor Voyager will be required to reimburse you for sales submitted more than sixty (60) calendar days from the date of purchase.

For daily transmission of sales data, you must securely maintain true and complete records for a period of not less than thirty six (36) months from the date of the generation of the data. You may store records on electronic media, if secure. You are responsible for the expense of retaining sales data records and sales drafts.

## Appendix 2

### Additional provisions for American Express

For merchants participating in the American Express OptBlue® Program, you should review the operating guide made available to you at [americanexpress.com/merchantopguide](https://americanexpress.com/merchantopguide).

#### Treatment of the American Express marks

Whenever payment methods are communicated to customers, or when customers ask what payments are accepted, you must indicate your acceptance of the American Express card and display the American Express marks (including any card application forms provided to you) as prominently and in the same manner as any other payment products.

You must not use the American Express marks in any way that injures or diminishes the goodwill associated with the mark, nor (without our prior written consent) indicate that American Express endorses your goods or services.

You must only use the American Express marks as permitted. You must cease using the American Express marks upon termination of your acceptance of American Express cards.

For additional guidelines on the use of the American Express marks, please contact Customer Service.

### Treatment of American Express cardholder Information

Any and all cardholder information is confidential and the sole property of the card-issuing bank, American Express or its affiliates. Except as otherwise specified, you must not disclose cardholder information, nor use nor store it, other than to facilitate transactions at your establishments in accordance with the terms on which you are authorized to accept American Express cards.

### Authorization for Card Not Present transactions

If you process a Card Not Present transaction you must obtain the following information:

- > The card number
- > The card expiration date
- > The cardholder's name as it appears on the card
- > The cardholder's billing address
- > The delivery address if different from the billing address. In addition, for Internet transactions you must:
  - > Use any separate merchant identification numbers (Seller ID) established for your Internet orders in all of your requests for authorization and Submission of charges
  - > Provide us with at least one (1) month's prior written notice of any change in your Internet address
  - > Comply with any additional requirements that American Express provides from time to time

American Express has the right to chargeback for any Card Not Present transaction that the cardholder denies making or authorizing. However, American Express will not chargeback for any Card Not Present transaction based solely upon a claim by a cardholder that he or she did not receive the disputed goods if you have:

- > Verified the address to which the goods were shipped was the cardholder's full billing address
- > Provided proof of delivery signed by the cardholder or an authorized signer of the card indicating the delivery of the goods or services to the cardholder's full billing address

American Express will not be liable for actual or alleged fraudulent transactions over the Internet and will have the right to chargeback for those charges.

If a disputed transaction arises involving a Card Not Present transaction that is an Internet electronic delivery transaction, American Express may exercise a chargeback for the full amount of the transaction and place you in any of its chargeback programs.

### Charge records (also known as 'sales drafts')

For each transaction submitted:

- > Electronically - you must create an electronically reproducible charge record

- > on paper - you must create a charge record containing all of the following required data:
  - Full card number and expiration date, and if available, cardholder name
  - The date the transaction was incurred
  - The amount of the transaction, which must be the total price for the purchase of goods and services (plus applicable taxes and gratuities) purchased on the card
  - The authorization approval
  - A clear description of the goods and services purchased by the cardholder
  - An imprint or other descriptor of your name, address, merchant identification number and, if applicable, store number
  - The words "No Refunds" if you have a no refund policy, and your return and cancellation policies
  - The cardholder's signature (if a Card Present transaction and you are not participating in the "No Signature Required" program), or the words "telephone order," "mail order," "Internet Order," or "signature on file," as applicable (if a Card Not Present transaction)

In the charge record (and a copy of the customer's receipt) you must:

- > Include your return and cancellation policies
- > Mask truncated card number digits with replacement characters such as "x," "\*" or "#," and not blank spaces or numbers

If the cardholder wants to use more than one card for payment of a purchase, you may create a separate charge record for each card used. However, if the cardholder is using a single card for payment of a purchase, you must not divide the purchase into more than one transaction, and you must not create more than one charge record.

### Refunds

To issue a refund you must:

- > Compare the last four digits on the charge record against the card presented (when applicable)
- > Issue the credit in the currency in which the original transaction was submitted to us
- > Issue the credit to the card used to make the original purchase. If the credit is for the return of a gift by someone other than the cardholder who made the original purchase, you must apply your usual refund policy.

If the cardholder indicates that the card on which the purchase was originally made is no longer active or available:

- > For all cards except prepaid cards – advise the cardholder that you must issue the credit to that card; and if the cardholder has questions, advise him or her to call the customer service number on the back of the card in question
- > For prepaid cards – apply your usual refund policy for returns

In the credit draft delivered to the cardholder, you must mask truncated card number digits with replacement characters such as “x,” “\*” or “#,” and not blank spaces or numbers.

Your refund policy for card transactions must be at least as favorable as your refund policy for purchases made with other payment products or other payment methods.

If you issue a credit, American Express will not refund the discount or any other fees or assessments previously applied on the corresponding transaction. The discount on chargebacks will not be refunded.

#### **Fraud mitigation tools**

American Express offers fraud mitigation tools for both Card Present and Card Not Present transactions to help verify that a transaction is valid. These tools help you mitigate the risk of fraud at the point of sale, but are not a guarantee that a transaction is, in fact, valid or bona fide, or that you will not be subject to a chargeback. For optimal use of the tools, please visit American Express' Fraud Prevention Information at: [americanexpress.com/fraudinfo](https://americanexpress.com/fraudinfo).

#### **Recurring transactions**

For recurring transactions you must offer the cardholder the option to receive written notification for the recurring transaction(s) at least (10) ten days prior to submitting, or any time the transaction amount exceeds a maximum amount that has been set by the cardholder. You must clearly and conspicuously disclose all material terms of the option, including, if applicable, the fact that recurring billing will continue until the option is canceled by the cardholder. If the material terms of the option change after submission of the first recurring transaction, you must promptly notify the cardholder in writing of such change and obtain the cardholder's express written consent to the new terms prior to submitting another recurring transaction.

#### **For recurring transactions you must:**

- > Periodically verify with cardholders that their information (e.g., card number, expiration date, and billing address) is still accurate. This will improve the likelihood of obtaining an approval to an authorization request.

- > Retain evidence of consent to receive updated card account information from the card-issuing bank for twenty-four (24) months from the date you submit the last recurring transaction
- > Ensure that your process for cancellation of recurring transactions is simple and expeditious
- > Within twenty-four (24) hours of incurring the first recurring billing transaction, provide the cardholder written confirmation (e.g., email or facsimile) of such transaction, including all material terms of the option and details of your cancellation/refund policy

If your recurring transaction amounts vary, you must offer the cardholder the right to receive written notification of the amount and date of each recurring transaction:

- > At least ten (10) days before submitting each transaction
- > Whenever the amount of the transaction exceeds a maximum recurring transaction amount specified by the cardholder

For more information about processing prepaid cards:

- > Call the customer service number on the back of the card in question
- > See American Express Card Organization Rules regarding “additional authorization requirements”

#### **No Signature Required program**

You may participate in the ‘No Signature Required’ program under which you are not required to request a signature from cardholders on the transaction record provided that:

- > Your business is classified in an industry that accepts in-person charges, with the exception of the following categories:
  - Merchants who do not conduct in-person charges (i.e., Internet, mail order, or telephone order)
  - Prohibited merchants or prohibited transactions (or both) as defined in American Express Card Organization Rules regarding “risk evaluation”
  - High-risk Merchants (e.g., Internet electronic services or nightclubs/lounges) as defined in American Express Card Organization Rules regarding “high risk merchants”
  - Merchants placed in our Fraud Full Recourse Program. See American Express Card Organization Rules regarding “chargeback programs”

- > In relation to the transaction:
  - The transaction amount must meet the threshold established in American Express' country-specific policy
  - The transaction must include the appropriate indicator to reflect that the card and the Cardholder were present at the point of sale
  - The transaction must include a valid approval

Under the American Express 'No Signature Required' program, chargebacks will not be exercised for such charges based solely on your failure to obtain the cardholder's signature at the point of sale.

If a disproportionate number of disputed charges under the 'No Signature Required' program occur, you must cooperate to reduce the number of disputed charges. If such efforts fail, you may be placed in American Express chargeback programs, or your participation in the 'No Signature Required' program may be modified or terminated.

### Travelers Cheques

Travelers cheques are available in various denominations and currencies. The denominations in U.S. dollars range from \$20 to \$1,000.

You must exercise caution when presented with a travelers cheque in a denomination of \$500 or greater. The higher denominated travelers cheques are rarely sold, and so more likely to be counterfeit.

To accept a travelers cheque, watch your customer countersign in the lower left corner of the travelers cheque, and compare the countersignature to the signature in the upper left corner of the travelers cheque.

- > If the signature and countersignature are a reasonable match (they look alike, but may not be identical), you may accept the cheque and there is no need to obtain any identification
- > If you suspect that the countersignature may be false, or you did not watch the customer countersign, ask your customer to turn the cheque over and sign again across the left-hand side (in the same manner one typically endorses a check); then take the cheque and fold up the bottom right-hand corner so that you can compare the original signature with the new one
- > If the signatures are not the same, or you have any questions regarding the validity of the cheque, call Customer Service
- > If you suspect that the travelers cheque may be fraudulent, verify that the cheque is authentic by:
  - Performing the smudge test. Turn the cheque over (non-signature side). Wipe a moistened finger across the denomination.

- On the right side of the cheque, the ink should not smudge
- On the left side of the cheque, the ink should smudge
- Obtaining online Authorization at [americanexpress.com/verifyamextc](https://americanexpress.com/verifyamextc). You are not required to obtain authorization before accepting a travelers cheque.

### High CV Merchants

You acknowledge that you will be converted from the American Express U.S. Enhanced Acquisition Program to a direct card acceptance relationship with American Express if and when you become a 'High CV Merchant' in accordance with the American Express Card Organization Rules. As part of this acknowledgment, you agree that upon conversion: (i) you will be bound by American Express' then-current agreement for card acceptance; and (ii) American Express will set pricing and other fees payable by you for card acceptance.

A "High CV Merchant" is a Program Merchant with Estimated Annual Charge Volume (ECV) of greater than (i) United States currency (USD) \$1,000,000 in the United States excluding Puerto Rico and the U.S. Virgin Islands or (ii) USD \$1,000,000 in Puerto Rico and the U.S. Virgin Islands. Where a Program Merchant Prospect has more than one Establishment, then the ECV of (i) all Establishments operated under the same tax identification number (TIN) in a region shall be aggregated or all Establishments operating under different TINs but as a unified business enterprise in a region shall be aggregated. For clarification purposes, a 'unified business enterprise' shall include Establishments that are owned, operated, or affiliated to a single business entity.

### Marketing Opt-outs

You agree that when providing your contact information to us that you may receive messages from American Express, including important information about American Express products, services, and resources available to your business. These messages may be sent to the phone numbers, email addresses or fax numbers that you provide. If you provide a wireless phone number, you agree that you may be contacted at that number and the communications sent may include auto-dialed short message service (SMS or "text") messages or automated or pre-recorded calls. If you provide a fax number, you agree that you may be sent fax communications. American Express may otherwise use and share your information for business purposes and as permitted by applicable law. American Express uses reasonable administrative, technical and physical security measures to protect your information consistent with the sensitivity of the information.



You may opt out of newsletters or messages about products, services and resources for different forms of communications by contacting us, via inbound telephone, email, facsimile, website, and any other means identified by us, or by exercising the opt-out options that may be described or offered in emails, SMS messages, faxes, or other communications. If you opt out, you may still receive messages from American Express regarding services and programs designed to enhance the value of the American Express Network.

### Protecting American Express Card Member Information

These merchant data security requirements apply to all of your equipment, systems, and networks on which encryption keys, cardholder data and/or sensitive authentication data are stored, processed, or transmitted.

### Standards for protection of cardholder data and sensitive authentication data

You must, and you must ensure that all of your employees, agents, representatives, subcontractors, processors, service providers, providers of point-of-sale equipment or systems or payment processing solutions, and any other party to whom you may provide card member information access, will:

- > Store American Express cardholder data only to facilitate transactions for your acceptance of American Express cards
- > Comply with the current version of the PCI DSS, no later than the effective date for implementing that version
- > Use, when deploying new or replacement PIN entry devices or payment applications (or both), only those that are PCI-approved

You must protect all charge records and credit records retained in accordance with these data security provisions. You must use these records only for purposes of your acceptance of American Express cards and you must safeguard the records accordingly.

### Data incidents

If you discover a data incident, you must:

- > Notify us immediately and in no case later than twenty-four (24) hours after such discovery
- > Conduct a thorough forensic investigation of each data incident; this must be conducted by a PCI forensic investigator (PFI) if the data incident involves 10,000 or more unique card numbers (or otherwise at our request)

- > Promptly provide to us all compromised card numbers and the forensic investigation report of the data incident
- > Work with us to rectify any issues arising from the data incident, including consulting with us about your communications to card members affected by the data incident and providing (and obtaining any waivers necessary to provide) to us all relevant information to verify your ability to prevent future data incidents
- > At our request, provide validation by a qualified security assessor (QSA) that the deficiencies have been remediated

Forensic investigation reports must:

- > Include forensic reviews, reports on compliance, and all other information related to the data incident
- > Identify the cause of the data incident
- > Confirm whether or not you were in compliance with the PCI DSS at the time of the data incident
- > Verify your ability to prevent future data incidents by providing a plan for remediating all PCI DSS deficiencies

American Express has the right to disclose information about any data incident to card members, issuers, other participants on the American Express network, and the general public as required by applicable law, by judicial, administrative, or regulatory order, decree, subpoena, request, or other process; in order to mitigate the risk of fraud or other harm; or otherwise to the extent appropriate to operate the American Express network.

### Periodic validation of your systems

You must take steps to validate under PCI DSS annually and quarterly the status of your equipment, systems and networks (and their components) on which cardholder data and sensitive authentication data are stored, processed or transmitted.

#### Step 1 - Enroll in a compliance program

You must submit applicable periodic validation documentation to us. Please contact us for more information regarding data security compliance requirements.

#### Step 2 - Determine merchant level and validation requirements

Most merchant levels are based on the volume of transactions submitted by establishments. You will fall into one of the merchant levels specified in the following table:

Merchant level	Definition	Validation documentation	Requirement
1	2.5 Million transactions or more per year; or any merchant that American Express otherwise deems a Level 1 merchant	Annual on-site security assessment report and quarterly network scan	Mandatory
2	50,000 to 2.5 Million transactions per year	Annual self-assessment questionnaire (SAQ) and quarterly network scan	Mandatory
3	Less than 50,000 transactions per year	Annual SAQ and quarterly network scan	Strongly recommended
3*	Less than 50,000 transactions per year and designated a Level 3 merchant by American Express	Annual SAQ and quarterly network scan	Mandatory

\* As designated by American Express.



American Express may require certain Level 3 merchants to enroll in American Express' compliance program. Such merchants must enroll no later than ninety (90) days following receipt of such notice from us. All other Level 3

merchants need not submit validation documentation, but must comply with all other provisions of these data security provisions.

The validation documentation which you must send to us is as follows:

Annual onsite security assessment	Annual self-assessment questionnaire	Quarterly network scans
<p>This is a detailed onsite examination of your equipment, systems, and networks (and their components) where cardholder data or sensitive authentication data (or both) are stored, processed, or transmitted.</p>	<p>This is a process using the PCI DSS self-assessment questionnaire (SAQ) that allows self-examination of your equipment, systems, and networks (and their components) where cardholder data or sensitive authentication data (or both) are stored, processed, or transmitted.</p>	<p>The quarterly network scan is a process that remotely tests your Internet-connected computer networks and web servers for potential weaknesses and vulnerabilities.</p>
<p><b>You must:</b></p>	<p><b>You must:</b></p>	<p><b>You must:</b></p>
<ul style="list-style-type: none"> <li>• Ensure that the annual onsite security assessment is performed by (i) a QSA, or (ii) you and certified by your chief executive officer, chief financial officer, chief information security officer, or principal;</li> <li>• Submit the AOC section of the SAQ annually to us, and include copies of the full SAQ upon request</li> <li>• Ensure that the AOC certifies compliance with all requirements of the PCI DSS.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that the SAQ is performed by you and certified by your chief executive officer, chief financial officer, chief information security officer, or principal;</li> <li>• Submit the AOC section of the SAQ annually to us, and include copies of the full SAQ upon request; and</li> <li>• Ensure that the AOC of the SAQ certifies compliance with all requirements of the PCI DSS.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure that the quarterly network scan is performed by an approved scanning vendor (ASV);</li> <li>• Complete and submit the ASV scan report attestation of scan compliance (AOSC) or executive summary of findings of the scan (and copies of the full scan, on request) quarterly to us;</li> <li>• Ensure that the AOSC or executive summary certifies that (i) the results satisfy the PCI DSS scanning procedures, (ii) no high-risk issues are identified (iii) the scan is passing or compliant.</li> </ul>

**Step 3** - Send the validation documentation to Participant  
Compliance and validation are completed at your expense. By submitting validation documentation to us, you represent and warrant to us that you are authorized to disclose the information contained in it and are providing the validation documentation without violating any other party's rights.

#### Merchants not compliant with PCI DSS

If you are not compliant with the PCI DSS, then you must:

- > Complete and submit an AOC including "Part 4. Action Plan for Non-Compliant Status" to us
- > Designate a remediation date, not to exceed twelve (12) months following the date of the AOC, for achieving compliance

- > Provide us with periodic updates of your progress toward remediation under the "Action Plan for Non-Compliant Status"

#### Non-validation fees and termination of right to accept cards

We have the right to impose non-validation fees on you and terminate your right to accept cards if you do not fulfill these requirements or fails to provide the mandatory validation documentation to us by the applicable deadline.

We will notify you separately of the applicable deadline for each annual and quarterly reporting period. If we do not receive your mandatory validation documentation, then we have the right to terminate your right to accept cards and to impose non-validation fees on you.



### Periodic validation of level EMV merchants

Your merchant level may be classified as EMV if you submit 50,000 (or more) American Express card transactions per year, of which at least seventy-five percent (75%) are made by the card member with the physical card present at a point of sale system compliant with EMV specifications and capable of processing contact and contactless transactions on a chip-enabled device.

If you are classified as merchant level EMV, you may submit the annual EMV attestation (AEA) instead of other validation documentation, in which case you must submit the AEA annually to us. Even if you fall into merchant Level 1 or 2, if you are classified as merchant level EMV, you only need to submit the AEA, and not the other merchant Level 1 and 2 validation documentation.

The AEA involves a process using PCI DSS requirements that allows self-examination of your equipment, systems, and networks (and their components) where cardholder data or sensitive authentication data (or both) are stored, processed or transmitted.

The AEA must:

- > Be performed by you
- > Be certified by your chief executive officer, chief financial officer, chief information security officer, or principal
- > Certify that you meet the requirements for merchant level EMV

## Appendix 3

### Special provisions for Discover Network

#### DISCOVER NETWORK PROTOCOL FOR INTERNET TRANSACTIONS

Each Internet Discover Network card transaction accepted by you and submitted to us must comply with Discover Network standards, including, without limitation, Discover Network standards governing the formatting, transmission and encryption of data, referred to as the “designated protocol”.

You are permitted to accept only those Internet Discover Network card transactions that are encrypted in accordance with the designated protocol. As of the date of these procedures, the designated protocol for the encryption of data is Secure Socket Layer (SSL).

We may, at our discretion, withhold Settlement until security standards can be verified. However, the

designated protocol, including any specifications with respect to data encryption, may change at any time upon thirty (30) days advance written notice. You are not permitted to accept any Internet Discover Network card transaction unless the transaction is sent by means of a browser that supports the designated protocol.

#### AUTHORIZATIONS

##### Card Not Present Transactions

For Discover Network Card Not Present transactions, you must also verify the name and billing address of the Discover Network cardholder using the Address Verification System (AVS).

##### Discover Network procedure for request for cancellation of authorization

If a Discover Network or PayPal card sale is canceled or the amount of the transaction changes following your receipt of authorization for the sale, you must process an authorization reversal via your POS device or, for voice-approved authorizations, call your Authorization Center directly and request a cancellation of the authorization. An authorization may be canceled at any time within ten (10) days of your receipt of the authorization, but must be canceled before the sales data relating to the transaction is submitted to us, after which the authorization cannot be changed. For an authorization cancellation, you must provide us with the following information, in this order:

- > The Discover Network merchant number used in the authorization
- > The card number
- > The original amount of the authorization being canceled
- > The new amount of the total transaction (if any)
- > The original authorization code for the authorization being canceled
- > The expiration date of the card
- > A brief reason for the authorization cancellation

##### Discover Network Cash Over Transactions

Cash over transactions are only available for Discover Network.

You may issue cash over in connection with a Discover Network card sale, provided that you comply with the terms on which you are authorized to accept cards, including the following requirements:

- > You must deliver to us a single authorization request for the aggregate total of the goods/services purchase amount and the cash over amount of the card sale.

You may not submit separate authorization requests for the purchase amount and the cash over amount;

- > The sales draft must include both the purchase amount and the cash over amount, and you may not use separate sales drafts for the purchase amount and cash over amount
- > Cash over may only be offered with a Card Present card sale that includes a purchase of goods or services by the cardholder. You must not issue cash over as a stand-alone transaction. If you offer cash over, you may require the total amount of a card sale with a credit product, including cash over, to meet a minimum transaction amount of up to \$10. You must not assess or charge fees of any type or amount, including any surcharges, on cash over transactions. You must not include in cash over transactions any of the fees or charges applicable to cash advances.
- > Cash over may not be dispensed in connection with credits, cash advances, or any card sale for which you are unable to electronically capture Track Data using the POS device
- > The maximum amount of cash that you may issue as cash over is \$100

**Cash over may not be available in certain markets. Contact us for further information.**

## Appendix 4

### Special provisions for PayPal

**PayPal does not permit the following transaction types:**

PayPal does not permit internet (ecommerce), mail order, manually key-entered, cash type transactions (including, cash over, cash advance or quasi-cash transactions), or international/non-U.S. currency transactions. Contact us for further information related to these transaction types.

#### Authorizations

**PayPal procedure for request for cancellation of authorization**

If a PayPal card sale is canceled or the amount of the transaction changes following your receipt of authorization for the sale, you must process an authorization reversal via your POS device.

#### PayPal Sublicense to Use PayPal Marks

You are prohibited from using the PayPal Marks, as defined below, other than as expressly authorized in writing by us.

“PayPal Marks” means the brands, emblems, trademarks, and logos that identify PayPal acceptance. You may use the PayPal Marks only to promote PayPal products, offers, services, processing, and acceptance. Your use of the PayPal Marks is restricted to the display of decals, signage, advertising, and marketing materials provided or approved by PayPal in writing pursuant to the process set forth in the PayPal Card Organization Rules. You are not permitted to use the PayPal Marks in such a way that PayPal Account Holders could believe that the products or services offered by you are sponsored or guaranteed by the owners of the PayPal Marks. You recognize that you have no ownership rights in the PayPal Marks. You are not permitted to assign to any third party any of the rights to use the PayPal Marks. You are prohibited from using the PayPal Marks, not permitted above, unless expressly authorized in writing by PayPal.

## Appendix 5

### Special provisions for Alipay

#### What is Alipay

Alipay is a payment processing platform offering a variety of services to Chinese National consumers. Alipay offers consumers the ability to make payments using prepaid funds stored in a digital wallet account established between Alipay and the Alipay consumer.

#### State Restrictions

If you elect to accept Alipay services, Processor may provide them to you in the States where legally permitted.

#### Alipay Funding Schedule

Alipay transactions are settled and funded in China Standard Time.

Alipay recognizes certain days as Chinese National holidays which can cause funding delays. The holidays can be as long as 5 consecutive days. Authorizations are not impacted during these holidays.

#### Refunds and Transaction Adjustments

Alipay consumers have 90 days from the transaction date to request a refund. After 90 days, all refund requests will be declined. Merchants will receive notification and will have the authority to determine if they wish to process the refund or reject the request (in accordance with your stated policy(ies) and any applicable laws).

### **Available IVR Languages List**

The Contractor will provide an IVR system with the following language capabilities available to Participants:

1. Arabic
2. Armenian
3. Bengali
4. Chinese Cantonese
5. Chinese Mandarin
6. English
7. Farsi
8. French
9. Laotian
10. Haitian
11. Haitian Creole
12. Hindi
13. Hmong
14. Italian
15. Japanese
16. Korean
17. Khmer
18. Pakistani
19. Polish
20. Portuguese
21. Russian
22. Spanish
23. Tagalog
24. Ukrainian
25. Vietnamese

**STATE OF FLORIDA**  
DEPARTMENT OF FINANCIAL SERVICES

**E-PAYMENT COLLECTION AND PROCESSING  
SERVICES**

# **Project Management Plan**

<b>Expiration Date</b>	<b>Version</b>	<b>Date</b>
MM/DD/20YY	1.0	09/10/2020



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## 1. Project Information

### 1.1 Contact Information/Project Resource Listing

Department or Participant Name:	Phone:	Project Name:
<b>Department Contact(s):</b> Trisha Williams	<b>Phone:</b> 850-413-2752	<b>Email:</b> Trisha.Williams@myfloridacfo.com
<b>NIC Services Project Manager(s):</b> Khiara Morehouse	<b>Phone:</b> 317-538-2006	<b>Email:</b> Khiara.Morehouse@egov.com
<b>NIC Services Director of Operations:</b> Shawn Cain	<b>Phone:</b> (317) 306-1989	<b>Email:</b> scain@egov.com
<b>NIC Services General Manager:</b> Sloane Wright	<b>Phone:</b> (317) 965-2765	<b>Email:</b> sloane@egov.com
<b>NIC Services Executive Director:</b> Sloane Wright	<b>Phone:</b> (317)965-2765	<b>Email:</b> sloane@egov.com

### 1.2 Revision History

Date	Name	Version	Section Updated	Notes
09/24/2019		1.0	All	Initial version reflecting discussions from in-person negotiation meeting on 9/20/2019.
10/03/2019		1.1	All	Updated based on Skype negotiation meeting on 10/02/2019.

### 1.3 Introduction

The state of Florida desires to provide e-Payment services to State agencies, the State's judicial branch, and units of local government to allow them to accept Payment Cards and eChecks, as authorized by section 215.322, Florida Statutes (F.S.). This document is the Project Management Plan to be utilized to oversee the implementation of the new e-Payment Collection and Processing Services Contract (New Contract), which was entered into between the Department of Financial Services (Department) and NIC Services, LLC (Contractor), with the initial focus to be on the "as is" transfer of currently utilized services from the incumbent vendor under Contract No. TR175 (Expiring Contract). Capitalized terms used in this document but not defined herein shall have the respective meanings ascribed to such terms in the New Contract.

#### 1.3.1 Purpose

The purpose of this Project Management Plan document is to identify the scope of the implementation for this Project and to help keep all parties on track to achieve a successful and on-time transition to the new Core Platform.

#### 1.3.2 Background

This Project is open to both Agency Participants and Local Government Participants. However, this Project Management Plan is intended to manage the implementation of the Agency Participants to the new Core Platform. Each Participant will have a selection of e-Payment Processing Options to choose from with the Contractor. However, the transition will focus the scope on "as is" items first and then allow for the implementation of additional options if doing so does not jeopardize the overall timeline. The target for completion of the Project under the New Contract is within fourteen (14) months of the effective date.

### 1.3.3 Project Approach

The Contractor agrees to leverage the Project Management Body of Knowledge (PMBOK) as the standard guide to manage the Project. As such, both parties recognize the numerous Participants or groups that will be managed and will therefore leverage the use of implementation phases. In order to properly plan for each implementation phase, there will be up-front tasks and deliverables needed from the onset of the engagement and on-going as described throughout this Project Management Plan in more detail. In addition, there will be dynamic aspects of this project that will be tracked and maintained in a dynamic reporting utility.

## 1.4 Goals and Objectives

The high-level goals and objectives for this Project Management Plan are to help facilitate a timely and controlled transition of Agency Participants to the new Core Platform.

### 1.4.1 Business goals and objectives

- Provide adequate and substantial e-Payment Processing Options to Participants to ensure they do not need to seek a separate contract to meet their payment processing requirements
- Achieve a simplified and easy to understand pricing structure
- Consolidate all e-Payment Processing Options down to a single Core Platform
- Gain knowledge and capture documentation to help define the services each Participant consumes, as well as the technical details on each implementation
- Deliver services that are modern, are simple, and make it easy for the constituency to interact with government
- Meet weekly with the Department to ensure that proper communication of each of the plan items is being delivered and actioned
- Complete transition of “as is” services for all current Participants is within fourteen (14) months of the effective date.

### 1.4.2 Project goals and objectives

- Leverage the new Core Platform to continue to drive digital government forward with the State
- Identify all Participants and their individual needs early in the process
- Hold, and achieve a high attendance for, initial townhall-style meeting for Participants
- Plan implementation phases to allow ample time for more complex integrations
- Start first wave of implementation tasks within the first 50 days after the New Contract Effective Date
- Ensure each Participant plays an active role in implementation and pre-production testing of all selected e-Payment Processing Options
- Help to simplify responsibilities associated with PCI requirements for each Participant
- Provide a platform to assist Participants in chargeback management, reporting/reconciliation, and day-to-day operations
- Be the best partner the State has ever had
- Complete transition of “as is” services for all current Participants is fourteen (14) months of the effective date.

## 2. Project

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### 2.1 Scope

As described in ITN 1819-01, the initial scope of this engagement consists of a transition from the current e-Payment processing vendor to a newly selected provider of e-Payment services under the New Contract. As such, there are approximately 20 State agency Participants and 95 other users (including local governments) that are leveraging the Expiring Contract and may want to transition to the new Core Platform.

Considering 115 entities are leveraging the Expiring Contract in varying capacities (currently not fully discovered), the transition effort to the New Contract is proposed to follow a phased implementation plan. Based on the Expiring Contract, both parties to the New Contract are committed to completing the transition Project no later than fourteen (14) months from the effective date. This plan will account for approximately 5 implementation waves, each commencing on a rolling quarterly basis. Agency Participants will be placed into implementation waves based on conditions such as the complexity of transition from a discovery survey conducted by the Contractor at the onset of the engagement. Some implementations may last longer than 90 days, so it is important to front-load the discovery of the more complex engagements in the initial phases.

To streamline the approach and to help ensure all Participants can transition without interruption of service, the primary focus of transition implementation will be limited to “as is” or “like for like” services. Specifically, this would mean that the Contractor will hold a discovery session with each Participant to determine its current services and the e-Payment Processing Options it will require to replace the current offerings. However, if additional service requirements are discovered beyond the current “as is” scope, then they will be considered with the Department and accommodated if they do not impact the overall Project transition timeline.

Based on the dynamic nature of an implementation with potentially 115 Participants, the Contractor will leverage a reporting utility to track tasks, milestones, risks, supporting documents, and other artifacts related to the engagement. This will be a shared resource that will also be leveraged for weekly implementation review meetings between the Contractor and the Department.

### 2.2 Costs, Benefits and Risks

In accordance with the Project, Agency Participants will receive benefits beyond a traditional payment processing model. For example, the Contractor will provide four (4) Tallahassee-based resources who will be focused primarily on e-Payment processing for the State. With specific focus on the implementation effort, this team, in collaboration with other Contractor resources, will work with each Participant in an effort of business continuity to transition their existing services from the current provider to the Contractor.

All pricing for the Project is outlined in Attachment 3, Price Response. As a summary to the pricing attachment, the Contractor is providing implementation services at no cost to the Participants. These services will provide management of the transition and integration guidance for on-boarding to the Core Platform and selected options, as well as providing IVR solutions, web payment collections forms, data transfers, batch files, training on the Core Platform, reporting, and compliance with PCI requirements. In addition to implementation services, the Contractor has established an initial and annual equipment fund for Agency Participants, which will be made available to Agency Participants, with guidance from the Department. Along the same lines, a bank of 296,000 minutes for IVR transactions will be made available to Agency Participants each Contract year, as described in more detail in Attachment 2, Statement of Work, and Attachment 3, Price Response.

As with any project, the Contractor will work with each Participant on an individual basis to establish and identify any risks to the implementation and transition to the New Contract. These risks will be initially captured in the Project charter



documentation and then incorporated into the BRD and the selected online reporting utility in the form of a risk register and an issues/impediments log. Risks and issues will be tracked dynamically and available for each Participant and the Department to track in the online utility.

## 2.3 Assumptions

The initial scope of the Project is keenly focused on transition and implementation from the current e-Payment services provider to Contractor. These assumptions are intended to achieve business continuity for the Participants currently consuming e-Payment services through the Expiring Contract.

- Participants must execute a Participation Agreement in the form prescribed by the New Contract in order to transition to the New Contract
  - Agency Participants will execute a Participation Agreement within 30 days of the Effective Date
  - Local Government Participants must notify the Department and Contractor of their intent to utilize the New Contract within 60 days of the Effective Date in order to be transitioned within fourteen (14) months of the effective date.
- Participants cannot make edits to the Participation Agreement or any other documents established in the New Contract
- Participants will work with the Contractor to complete the initial Discovery Survey within 2 weeks of execution of a Participation Agreement
- Participants will help to coordinate and attend their individual kick-off meetings and bring subject matter experts who understand the Participant's current process and the desired transition outcome
- Participants will assign a single point of contact that will act as a liaison for their implementation
  - If services cross multiple Participant-Levels, then Participants will assign an appropriate point of contact for each implementation
- Participants will remain engaged during the transition to ensure timelines are not missed
- The Contractor will not code or develop on a Participant owned/managed software system, but will provide best practices and implementation guidance to the Core Platform
- Participants agree that the first phase of the e-Payment services Project is to transition services for each Participant on an "as-is" basis to help ensure all Participants are successful in meeting their implementation timelines
  - e-Payment services that are not currently utilized by a Participant may not be included in the initial implementation scope but may be accommodated if it will not interrupt the transition timeline as a whole
- Agency Participants acknowledge that this engagement is managed by the Department
- Participants acknowledge that the Contractor will instruct Participants on PCI responsibilities based on the e-Payment Processing Options that are selected
- Participants will play an active role in testing e-Payment Processing Options as they are available and prior to production
  - Participants will also help provide necessary testing scenarios and information as the subject matter expert to ensure appropriate test cases are developed and implemented

## 2.4 Constraints

The most considerable constraint for the Project is timing. The Contractor and the Department share a common goal to have all Participants transitioned to the New Contract within fourteen (14) months of the effective date. As such, Participants will be selected for upcoming implementation phases and will work in a manner to minimize impacting timelines. This will include identifying e-Payment Processing Options up-front for each Participant and then determining the type of hardware, coding, or connectivity that may be required. If any risks are identified during the discovery process and beyond, then they will be recorded in the risk register. Likewise, the Contractor will maintain a dynamic Issues log and a register of Action Items, Decisions, and Tasks throughout the duration of the plan. This will allow for the flexibility of a roll-up plan, with the ability to drill down into a specific Participant engagement.

## 2.5 Business Case

The Contractor shall provide services and support to ensure completion of the Project, with minimal impact to the Participants' business systems, within fourteen (14) months of the effective date, for all Agency Participants and for all Local Government Participants that notify the Contractor of their desire to transition within 60 Calendar Days of the Effective Date.

As described in the scope, the transition from the Expiring Contract will not be a trivial effort and will be managed in implementation phases. The Department will be able to help facilitate communication with the Agency Participants but not the Local Government Participants. Therefore, the Contractor and the Department will work together to communicate to the existing Local Government Participants to notify them of the change of vendor and the e-Payment Processing Options and features of the New Contract.

For both groups of Participants (Agency and Local Government), a town hall will be organized and held to ensure that all Participants have timely information regarding the New Contract, transition timeline, options offered, upcoming discovery meetings, and points of contact.

As the Local Government Participants present a unique challenge in both location and autonomy, the Contractor will use commercially reasonable efforts to establish the town hall meetings for these Participants. This may include leveraging contacts provided by the Department for current Participants, the Florida Association of Counties, the Florida League of Cities, and the Florida Association of Special Districts. In addition, the Contractor may leverage a website or other materials to help ensure all current and future Participants have a central point of communication regarding the transition, e-Payment Processing Options, and features of the New Contract.

## 2.6 Current Process

This document is designed to serve as a template for managing the Project. The bulk of the content will be added during the discovery phase of the Project where the Contractor shall work with each Agency Participant and each Local Government Participant to capture their current processes, as well as the desired options that are available under the New Contract.

This document will initially be filled with a phased implementation plan in order to transition Participants who leverage the Expiring Contract. Based on the fixed timeline for transition and the unknown complexities of each Participant, the Contractor will implement a discovery process shortly after the Effective Date to better design a mapping of Participants to implementation waves. This process will provide for a better-defined implementation time, allotting more time to Participants with more complex integrations.

## 2.7 Project Products/Deliverable List

In general, each Participant (Agency and Local Government) will be invited to participate in a kick-off meeting and to complete and execute the following documents to facilitate the implementation and on-boarding process:

Document Type	Description	Frequency
Discovery Survey	This is a simple, form-based document that helps identify the types of e-Payment Processing Options, hardware, and reports the Participant is utilizing today to help plan for implementation phase placement.	
Participation Agreement	This is the contract vehicle that ties the Participant to the New Contract.	
Sub-Merchant Agreement	This is a four-party agreement between the Participant, the Contractor, First Data, and Wells Fargo to allow for e-Payment processing.	

Payment Processing Application Setup Form	This is a simple form that will allow the Participant to select the options it would like to leverage under the New Contract.	
Charter	This document will come before the BRD and is utilized to ensure the Participant and the Contractor are in sync with the requested services and deliverables.	
BRD	This is the business requirements document that will provide the necessary details to enable the transition and implementation of the selected e-Payment Processing Options for each Participant.	
Implementation Plan	This is a dynamic plan intended to provide action items, decisions, and tasks as related to the implementation of each Participant.	
Technical Summary	This document will capture the final technical configuration requirements.	
Project Closeout	This document will be utilized to memorialize the completion of the implementation and to capture lessons learned or best practices.	
Change Order	This document will be utilized to capture any change of scope from the initial BRD. This may include additional e-Payment Processing Options, change in depository account information, etc.	

## 2.8 Quality Management Approach

The quality of this Project Management Plan will be supported by each Participant engagement working through the documentation described in the section above. Each implementation is based on a core set of e-Payment Processing Options. From these options, the Contractor anticipates that each Participant will have unique requirements regarding the consumption of the selected options but that the general scope will not deviate into products or services not currently contemplated.

This series of documents will help to support a model of Initiate, Plan, Execute, Monitor/Control, and Close. This prescribed process will allow for each Participant implementation to be managed independently amongst the larger scope of work. Through each of the implementations, the Contractor and the Department will work together to identify adjustments or tweaks based on lessons learned and captured throughout the process.

The progress of each implementation will be recorded in a dynamic manner on an on-going basis. The Department and the Contractor will leverage the dynamic reporting each week to discuss the progress of current implementations, as well as any Risks, Issues/Impediments, Actions, Tasks or Decisions. It is likely that process improvements will be derived from these meetings and will adjust the reportable information being utilized in these meetings on a go-forward basis.

## 2.9 Project Management Approach

The Contractor agrees to leverage the Project Management Body of Knowledge (PMBOK) as the standard guide to manage the Project. As such, both parties recognize the numerous Participants or groups that will be managed and therefore will leverage the use of implementation phases. In order to properly plan for each implementation phase, there will be some up-front tasks and deliverables needed from the onset of the engagement and on-going as described below.

The following are key milestones for the Project. It is imperative that all Participants review and agree to the timeline as presented. In the spirit of a partnership, the entity in the “Assigned To” will likely be required to work with the other entities in-part to accomplish the task. For clarity, **this timeline is for Agency Participants**, and Local Government Participants will follow a different timeline. All references to “Days” within the table below are Calendar Days.

Task ID	Task Name	Assigned To	Duration to Start
1	Establish Contract Effective Date	Department	N/A

2	Hold initial in-person implementation approach discussion with Department (within 14 Calendar Days)	Contractor	Within 14 Days
3	Schedule town hall meeting to notify Participants of New Contract	Department	Within 30 Days
4	Implement initial version of dynamic reporting utility (Smartsheet) for visibility into impediments, progress, risks, and deliverables specific to each Participant	Contractor	Within 30 Days
5	Conduct Discovery Survey of Participants for implementation planning	Contractor	Within 45 Days
6	Deliver Participation Agreement to all Participants	Contractor	Within 45 Days
7	Develop draft BRD for all Participants	Contractor	Within 30 Days
8	Develop draft Implementation Plan for all Participants	Contractor	Within 30 Days
<b>9</b>	<b>Start implementation Phase 1</b>	<b>Contractor</b>	<b>Within 50 Days</b>
10	Schedule individual Discovery/Kick-Off meetings with first 5 Participants	Contractor	Within 50 Days
11	Start weekly status reporting to Department on transitions (after Phase 1 transitions commence)	Contractor	Within 60 Days
12	Deliver Payment Processing Application Setup Form to Phase 1 Participants	Contractor	Within 7 Days of Kick-Off meeting
13	Create implementation charter document for each Phase 1 Participant	Contractor	Within 7 Days of receiving Department approval
14	Finalize BRD for each Phase 1 Participant	Contractor	Within 60 Days of Phase Start
15	Finalize Project Implementation Plans for all remaining Participants	Contractor	Within 75 Days
16	Notify all remaining Participants of the phase in which they are scheduled to start	Department	Within 90 Days
17	Prepare/Distribute PCI Compliance materials needed for Participants in Phase 1	Contractor	Within 90 Days of Phase Start
18	Project Closeout for Phase 1 Participants	Contractor	Within 140 Days
<b>19</b>	<b>Start implementation Phase 2</b>	<b>Contractor</b>	<b>Within 30 Days of Phase Start</b>
21	Schedule individual Discovery/Kick-Off meetings with next set of Participants	Contractor	Within 30 Days of Phase Start
22	Start weekly status reporting to Department on transitions (after Phase 2 transitions commence)	Contractor	Within 30 Days of Phase Start
23	Deliver Payment Processing Application Setup Form to Phase 2 Participants	Contractor	Within 7 Days of Kick-Off meeting
24	Create implementation charter document for each Phase 2 Participant	Contractor	Within 7 Days of receiving Department approval
25	Finalize BRD for each Phase 2 Participant	Contractor	Within 60 Days of Phase Start
26	Prepare/Distribute PCI Compliance materials needed for Participants in Phase 2	Contractor	Within 90 Days of Phase Start
27	Project Closeout for Phase 2 Participants	Contractor	Within 120 Days of Phase Start
<b>28</b>	<b>Start implementation Phase 3</b>	<b>Contractor</b>	<b>Within 30 Days of Phase Start</b>
29	Schedule individual Discovery/Kick-Off meetings with set of Participants	Contractor	Within 30 Days of Phase Start
30	Start weekly status reporting to Department on transitions (after Phase 3 transitions commence)	Contractor	Within 30 Days of Phase Start

31	Deliver Payment Processing Application Setup Form to Phase 3 Participants	Contractor	Within 7 Days of Kick-Off meeting
32	Create implementation charter document for each Phase 3 Participant	Contractor	Within 7 Days of receiving Department approval
33	Finalize BRD for each Phase 3 Participant	Contractor	Within 60 Days of Phase Start
34	Prepare/Distribute PCI Compliance materials needed for Participants in Phase 3	Contractor	Within 90 Days of Phase Start
35	Project Closeout for Phase 3 Participants	Contractor	Within 120 Days of Phase Start
36	<b>Start implementation Phase 4</b>	<b>Contractor</b>	<b>Within 30 Days of Phase Start</b>
37	Schedule individual Discovery/Kick-Off meetings with set of Participants	Contractor	Within 30 Days of Phase Start
38	Start weekly status reporting to Department on transitions (after Phase 4 transitions commence)	Contractor	Within 30 Days of Phase Start
39	Deliver Payment Processing Application Setup Form to Phase 4 Participants	Contractor	Within 7 Days of Kick-Off meeting
40	Create implementation charter document for each Phase 4 Participant	Contractor	Within 7 Days of receiving Department approval
41	Finalize BRD for each Phase 4 Participant		Within 60 Days of Phase Start
42	Prepare/Distribute PCI Compliance materials needed for Participants in Phase 4	Contractor	Within 90 Days of Phase Start
43	Project Closeout for Phase 4 Participants	Contractor	Within 120 Days of Phase Start
44	<b>Start implementation Phase 5</b>	<b>Contractor</b>	<b>Within 30 Days of Phase Start</b>
45	Schedule individual Discovery/Kick-Off meetings with set of Participants	Contractor	Within 30 Days of Phase Start
46	Start weekly status reporting to Department on transitions (after Phase 5 transitions commence)	Contractor	Within 30 Days of Phase Start
47	Deliver Payment Processing Application Setup Form to Phase 5 Participants	Contractor	Within 7 Days of Kick-Off meeting
48	Create implementation charter document for each Phase 5 Participant	Contractor	Within 7 Days of receiving Department approval
49	Finalize BRD for each Phase 5 Participant	Contractor	Within 60 Days of Phase Start
50	Prepare/Distribute PCI Compliance materials needed for Participants in Phase 5	Contractor	Within 90 Days of Phase Start
51	Project Closeout for Phase 5 Participants	Contractor	Within 120 Days of Phase Start

The RACI chart below is intended to help summarize some of the major responsibilities between the parties:

Step	Phase/Key Milestone	NIC	Participants	Department
1	Initiation/Requirements Workshops	R/A	R/A	C/I
2	Discovery/Baseline Requirements	R/A	R/A	C/I
3	Development/Task Order or Change Order	R/A	I	C/I
4	Development/Software Build	R/A	C/I	I
5	Development/QA	R/A	I	I
6	Development/UAT	C/I	R/A	I
7	Deployment/Completed Project Delivery	R/A	I	C/I
8	All Phases/Weekly Project Status	R/A	C/I	C/I

Legend of RACI:



NIC Services, LLC  
25501 West Valley Parkway, Suite 300  
Olathe, Kansas 66061

[www.egov.com/NICPayments](http://www.egov.com/NICPayments)

Role	Definition
<b>R = Responsible</b>	The party that is responsible for producing the deliverables or task.
<b>A = Accountable</b>	The party that is accountable for the deliverable or task.
<b>C = Consulted</b>	The party that must be consulted before a final decision can be made.
<b>I = Informed</b>	The party that must be informed after any final decision has been made.



### 3. Guiding Principles

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This Project will be governed by the terms and conditions set forth in the New Contract.

In addition, the following will apply:

1. Each Participant will review the Business Requirements Document (BRD) developed after consultation with the Participant. Upon approval, the Participant will provide the required support identified within the BRD and the Participation Agreement to assist the Contractor in completing the Participant-assigned tasks as identified within this document.
2. The Contractor will assign a Project Manager, and back-up resources, to interface with the Department and Participants.
3. The Department and the Participant will assign appropriate resources, and a back-up, to interface with the Contractor.
4. The Contractor will be responsible for providing the Core Platform and support for the Core Platform, but it may require interaction from Participant's Subject Matter Experts (SMEs) for applications that are managed by in-house staff or third parties.
5. The Contractor will work with the Department and the Participant to develop a testing plan. It is the Participant's responsibility to provide business/program expertise to allow the Contractor to develop an accurate testing plan.
  - a. The testing plan will be based on the e-Payment Processing Options that are selected by the Participant.
  - b. Participants who opt for a Gateway - Non-Hosted solution will be required to help complete a test plan with knowledge of the non-hosted system.
  - c. Each test plan will include, at a minimum, test cases to demonstrate the acceptance of all accepted payment types from an end-user in an environment that closely mimics the functionality of production.
6. The Contractor and the Participant will complete all required testing, as according to the Project deadlines, prior to acceptance by the Participant and deployment to production.
7. Each Participant will review PCI-related guidance provided by the Contractor.
8. Participants may have to complete a self-assessment questionnaire or adhere to other requirements as defined by PCI DSS based on the types of e-Payment Processing Options selected.
9. Participants agree to never store Payment Card information under any circumstances.
10. Participants and the Contractor will focus on the transition of existing services prior to implementing new e-Payment Processing Options, Optional Services, or Value-Added Services.

## 4. Logs and Tracking

### 4.1 Risk Management Plan

The Contractor will maintain a Risk Management Plan for the duration of the Project. This plan will be maintained for each Participant, as well as capture the roll-up of all identified risks in a dynamic reporting tool. The below is a sample Risk Management Plan for a Participant. The roll-up will provide additional fields to identify the Participant(s) individually.

Risk ID #	Risk Name	Risk Description	Risk Status	Risk Impact	Risk Likelihood	Risk Mitigation	Risk Assignment
			Open Ongoing Closed	Insignificant (1) Minor (2) Moderate (3) Serious (4) Critical (5)	None/Slight (1) Not Likely (2) Likely (3) Highly Likely (4) Expected (5)		

### 4.2 Action Items, Decisions, and Tasks

The Contractor will maintain an Action Items, Decisions, and Tasks register for the duration of the Project. This register will be maintained for each Participant, as well as capture the roll-up of all identified Actions, Decisions, and Tasks in a dynamic reporting tool. The below is a sample register for a Participant. The roll-up will provide additional fields to identify the Participant(s) individually.

Action Items, Decisions, & Tasks	Due Date	Done	Assigned To	Comments

### 4.3 Issues Log

The Contractor will maintain an Issues Log for the duration of the Project. This log will be maintained for each Participant, as well as capture the roll-up of all identified issues in a dynamic reporting tool. The below is a sample log for a Participant. The roll-up will provide additional fields to identify the Participant(s) individually.

Issues	Target Resolution	Resolved	Assigned To	Comments
	<insert date>			



## 5. Communication Plan

This communication management plan defines the Project communications structure. It defines the required communications, content, timing, and audience.

### 5.1 Communication Plan

Communication	From	To	CC	Content Provided/Created By	Frequency	Delivery Media
<b>Project Kick Off Meeting</b>	Project Manager	Participant, NIC Project Team, Department	Director of Operations	Project Manager	Once (Initiation Phase)	Meeting
<b>Business Requirements</b>	BA	Participant, Department	Director of Operations, NIC Project Team,	BA	Once (Development/ Deploy Phase)	Email, Meeting
<b>Project Status Reporting - Participant</b>	Project Manager	Participant	Department	NIC Project Team	Weekly (throughout Project completion)	Email
<b>Change Order</b>	Project Manager	Participant, Department	NIC General Manager, Director of Operations	Project Manager	As needed	Email
<b>Urgent Issues (escalated from Participant)</b>	Department, Participant	Project Manager	Director of Operations, NIC General Manager, Department	Participant, Department	As needed	Email, Memos
<b>Issue Updates/ Resolutions</b>	Project Manager	Participant	Director of Operations, NIC Project Team, Department	Project Managers, NIC Project Team	As needed	Email
<b>Training and Application Updates</b>	Project Manager	Participant	Director of Operations, NIC Project Team, Department	Project Managers, NIC Project Team	As needed	Email
<b>Project Closing</b>	Project Manager	NIC General Manager, Director of Operations, Participant, Department	NIC Project Team	NIC Project Team, Director of Operations	As needed (Deployment/ Closing Phase)	Meeting
<b>Project Status Reporting - Department</b>	Project Manager	Department	NIC Project Team	Project Manager	Weekly	Meeting

### 5.2 Change and Issue Management Approach

Any changes that impact the scope, schedule, or resources of the Project Management Plan will be determined through a review process and must be agreed to in writing by the Department.

### 5.3 Glossary

This document includes the following acronyms, abbreviations, and terms:

Acronym	Definition
<b>Department</b>	State of Florida, Department of Financial Services
<b>NIC Project Team</b>	Project team includes, at a minimum, PM, BA, Developers, QA, System Admins with involvement in Participant engagement
<b>BA</b>	Contractor's Business Analyst



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<b>PM</b>	Contractor's Project Manager
<b>PMO</b>	Contractor's Project Management Office
<b>QA</b>	Quality Assurance
<b>RACI Diagram</b>	Diagram displaying roles and responsibilities broken down in the following categories: <b>R</b> esponsible, <b>A</b> ccountable, <b>C</b> onsulted, and <b>I</b> nformed

**STATE OF FLORIDA**  
DEPARTMENT OF FINANCIAL SERVICES

**E-PAYMENT COLLECTION AND PROCESSING  
SERVICES**

# **Project Closeout Plan**

<b>Expiration Date</b>	<b>Version</b>	<b>Date</b>
MM/DD/20YY	1.0	09/09/2020



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## 1. Project Information

### 1.1 Contact Information / Project Resource Listing

Department or Participant Name:	Phone:	Project Name:
<b>Department Contact(s):</b> Trisha Williams	<b>Phone:</b> 850-413-2752	<b>Email:</b> Trisha.Williams@myfloridacfo.com
<b>Participant Contact(s):</b> <insert by DFS>	<b>Phone:</b> <insert by DFS>	<b>Email:</b> <insert by DFS>
<b>NIC Services Project Manager(s):</b>	<b>Phone:</b>	<b>Email:</b>
<b>NIC Services Director of Operations:</b> Shawn Cain	<b>Phone:</b> (317) 306-1989	<b>Email:</b> scain@egov.com
<b>NIC Services General Manager:</b> Sloane Wright	<b>Phone:</b> (317) 965-2765	<b>Email:</b> sloane@egov.com
<b>NIC Services Executive Director:</b> Sloane Wright	<b>Phone:</b> (317) 965-2765	<b>Email:</b> sloane@egov.com

### 1.2 Revision History

Date	Name	Version	Section Updated	Notes
MM/DD/20YY		1.0	All	Initial Version

## 2. Project Performance

This section provides information on the project's performance and will be used to help estimate and plan future similar projects.

	Baseline	Actual	Variance
<b>End Date</b>			MM/DD/YYYY

Schedule variance was due to the following factors:

- <insert factors>

### 2.1 Deliverables

The table below lists all deliverables associated with this project. This list was compiled from the Statement of Work, Participation Agreement, Business Requirements Documents, any Change Order Requests, and other informally agreed-upon deliverables. If the deliverable is still outstanding, this is noted with the text "Expected" and the date the deliverable is expected to be complete.

Deliverable	Delivery/Acceptance Date
<b>Technical Configuration Documents</b>	
<b>Business Requirements Documents</b>	
<b>Participation Agreements</b>	
<b>User Guides</b>	
<b>Implementation Plans</b>	
<b>Integration Guides</b>	
<b>Lessons Learned</b>	
<b>Product Modifications, Upgrades, Enhancements</b>	
<b>Issue/Resolutions Identified</b>	

### 2.2 Project Documentation

The table below contains all documentation created throughout this project and its current location.

Document Type	Document Name	Document Link / Location
<b>Discovery Survey</b>		
<b>Participant Agreement</b>		
<b>Payment Processing Application Setup Form</b>		
<b>Charter</b>		
<b>BRD</b>		
<b>Implementation Plan</b>		
<b>Technical Summary</b>		
<b>Project Closeout</b>		

<b>Change Order(s)</b>		
------------------------	--	--

## 2.3 Project Lessons Learned

The objective of this report is gathering all relevant information for better planning of later project stages and future projects, improving implementation of new projects, and preventing or minimizing risks for future projects.

## 2.4 Project Successes and Contributors

Success Description	Factors that Supported the Success
<insert description>	

## 2.5 Project Shortcomings, Cause and Actions

Shortcoming Description	Project Area	Suggestion Remediation	Assigned To	Due Date

## 2.6 Post-Implementation Support

This section identifies the post-implementation support activities after project-closeout.

Support Activity	Assigned To	Documentation Reference
Training		

## 2.7 Implementation Issues Log

The table below lists any issues presented during implementation.

Open Item	Severity	Mitigation	Resolution	Assigned To	Target Date



### 3. Approvals

---

#### 3.1 Acceptance of Delivery Approvals

I have read the above Project Closeout Plan and will abide by its timelines and pledge my full commitment and support for the project.

**Department Executive Sponsor:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Participant Project Sponsor:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC Project Manager:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC Director of Operations:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC General Manager:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: Sloane Wright \_\_\_\_\_



**STATE OF FLORIDA**  
DEPARTMENT OF FINANCIAL SERVICES

**E-PAYMENT COLLECTION AND PROCESSING  
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# **Payment Processing Application Setup Form**

<b>Expiration Date</b>	<b>Version</b>	<b>Date</b>
MM/DD/20YY	1.0	09/09/2020



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# 1. Payment Processing Application Setup Form

## 1.1 Project Information

Project Manager Name:	
Application Name:	
Launch Date:	
Statutory Fee:	
Convenience Fee:	
Credit Card Transaction Fee:	
Fee paid by:	Choose an item.
eCheck Transaction Fee:	
Fee paid by:	Choose an item.
Item SKU:	
Refund Process:	Choose an item.
Return Process:	Choose an item.
Peak Transaction Periods:	
Number of Transactions Expected Annually:	

## 1.2 Participant Accounting Contact Information

Participant (Merchant) Name:	
Contact Person:	
Address:	
City, State, Zip Code:	
E-mail:	

## 1.3 Participant Revenue Information (If different from concentration)

Bank Name:	
Account Number:	
Routing Number:	
eCheck Bank Name:	
eCheck Account Number:	
eCheck Routing Number:	

## 1.4 Information Provided by NIC for Payment Gateway (TPE)

Credit Card Service Code:	
eCheck Service Code:	



## 2. Approvals

---

### 2.1 Acceptance of Delivery/Deployment Approvals

I have read the above Payment Processing Application Setup Form and will abide by its timelines and pledge my full commitment and support for the project.

**Department Executive Sponsor:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Participant Sponsor:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC Project Manager:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC Director of Operations:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC General Manager:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: Sloane Wright \_\_\_\_\_

**STATE OF FLORIDA**  
DEPARTMENT OF FINANCIAL SERVICES

**E-PAYMENT COLLECTION AND PROCESSING  
SERVICES**

# Change Order Request

Expiration Date	Version	Date
MM/DD/20YY	1.0	09/09/2020



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# 1. Change Order Request Information

## 1.1 Contact Information / Resource Listing

Department or Participant Name:	Phone:	E-mail:
<b>Department Contact(s):</b> Trisha Williams	<b>Phone:</b> 850-413-2752	<b>Email:</b> Trisha.Williams@myfloridacfo.com
<b>Participant Contact(s):</b> <insert by DFS>	<b>Phone:</b> <insert by DFS>	<b>Email:</b> <insert by DFS>
<b>NIC Services Project Manager(s):</b>	<b>Phone:</b>	<b>Email:</b>
<b>NIC Services Director of Operations:</b> Shawn Cain	<b>Phone:</b> (317) 306-1989	<b>Email:</b> scain@egov.com
<b>NIC Services General Manager:</b> Sloane Wright	<b>Phone:</b> (317) 965-2765	<b>Email:</b> sloane@egov.com
<b>NIC Services Executive Director:</b> Sloane Wright	<b>Phone:</b> (317) 965-2765	<b>Email:</b> sloane@egov.com

## 1.2 Revision History

Date	Name	Version	Section Updated	Notes
09/24/2019		1.0	All	Initial version reflecting discussions from in-person negotiation meeting on 9/20/2019.
10/1/2019		2.0		Updated based upon Department's suggestions.

## 1.3 Glossary

This document includes the following acronyms, abbreviations, and terms:

Acronym	Definition
<b>Department</b>	State of Florida, Department of Financial Services
<b>NIC Project Team</b>	Project team includes but not limited to PM, BA, Developers, QA, System Admins with involvement in Participant engagement
<b>Participants</b>	Has the meaning set forth in the New Contract
<b>PM</b>	Contractor's Project Manager
<b>PMO</b>	Contractor's Project Management Office
<b>QA</b>	Quality Assurance
<b>RACI Diagram</b>	Diagram displaying roles and responsibilities broken down in the following categories: Responsible, Accountable, Consulted, and Informed

## 2. RACI Diagram (Sample)

Step	Phase/Key Milestone	NIC	Participants	Department
1	Initiation/Requirements Workshops	R/A	R/A	C/I
2	Discovery/Baseline Requirements	R/A	R/A	C/I
3	Development/Task Order or Change Order	R/A	I	C/I
4	Development/Software Build	R/A	C/I	I
5	Development/QA	R/A	I	I
6	Development/UAT	C/I	R/A	I
7	Deployment/Completed Change Order Delivery	R/A	I	C/I
8	All Phases/Weekly Status	R/A	C/I	C/I

Role	Definition
<b>R = Responsible</b>	The party that is responsible for producing the deliverables or task.
<b>A = Accountable</b>	The party that is accountable for the deliverable or task.
<b>C = Consulted</b>	The party that must be consulted before a final decision can be made.
<b>I = Informed</b>	The party that must be informed after any final decision has been made.



### 3. Change Request

The following change reason has been identified by the Participant.

✓	Reason	Details/Notes
	Emergency Fix (Hot Fix)	
	Statutory Requirement	
	Business Need	
	Requirements Omission	
	Programming Error/Omission	
	Design Error/Omission	
	Special Initiative	
	Other	

#### 3.1 Urgency of Change

✓	Urgency	Reason/Notes
	Low	
	Medium	
	High	

#### 3.2 Requesting Party

✓	Requestor	Reason/Notes
	Participant	
	NIC	
	Department	
	Other	

#### 3.3 Change Impact

✓	Impact	Reason/Notes
	Timeline	
	Cost	
	Other	

#### 3.4 Description of Change

<Insert description of change here>

### 3.5 Test Plan Template

Test Function	Test Step	Expected Result	Pass/Fail

## 4. Timeline

---

The following are key milestones for this request. It is imperative that all parties review and agree to the timeline as presented. Any changes to this timeline following the signing of this document must be agreed to in writing by all parties.

Task ID	Task Name	Assigned To	Completion Date
1			MM/DD/YYYY
2			
3			



## 5. Approvals

---

### 5.1 Acceptance of Delivery/Deployment Approvals

I have read the above Change Order and will abide by its timelines and pledge my full commitment and support for the request.

**Department Executive Sponsor:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**Participant Sponsor:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC Project Manager:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC Director of Operations:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

**NIC General Manager:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: Sloane Wright \_\_\_\_\_

## Appendix A: Payment Processing Application Setup Form

### Change Order Request Information

Project Manager Name:	
Application Name:	
Launch Date:	
Participant Funds Collected:	
Convenience Fee:	
Credit Card Transaction Fee:	
Fee paid by:	Choose an item.
eCheck Transaction Fee:	
Fee paid by:	Choose an item.
Item SKU:	
Refund Process:	Choose an item.
Return Process:	Choose an item.
Peak Transaction Periods:	
Number of Transactions Expected Annually:	

### Participant Accounting Contact Information

Participant (Merchant) Name:	
Contact Person:	
Address:	
City, State, Zip Code:	
E-mail:	

### Participant Revenue Information (If different from concentration)

Bank Name:	
Account Number:	
Routing Number:	
eCheck Bank Name:	
eCheck Account Number:	
eCheck Routing Number:	

### Information Provided by NIC for Payment Gateway (TPE)

Credit Card Service Code:	
eCheck Service Code:	