

STATE OF ALABAMA
DEPARTMENT OF REVENUE
INVITATION TO BID
FOR CREDIT CARD PROCESSING SERVICES

The purpose of this Invitation to Bid (ITB) is to award an agency contract from which a purchase order will be issued with a vendor to service as the credit card processing company for the Alabama Department of Revenue (hereafter referred to as ADOR). The term of this contract is for one (1) year commencing July 1, 2009 with the option of renewing for four (4) additional years under the same pricing terms and conditions.

CREDIT:

ESTIMATED ANNUAL VOLUME - \$5,000,000.00

ESTIMATED ANNUAL TRANSACTIONS – 5,000

ESTIMATED AVERAGE TRANSACTION AMOUNT - \$1,000.00

DEBIT:

ESTIMATED ANNUAL VOLUME - \$9,000.00

ESTIMATED ANNUAL TRANSACTIONS – 20

ESTIMATED AVERAGE TRANSACTION AMOUNT - \$450.00

The bidder is to provide a service fee, as the sole bid item for (1) credit transactions and (2) debit card transactions for MasterCard and VISA. Detailed monthly statements of fees due will be submitted to ADOR for payment. This fee is the only fee that will be charged to the ADOR and must include all of the services mentioned below. Terms and conditions are inclusive.

1. Only VISA and MasterCard credit cards will be used.
2. The use of National Data Corporation (NDC) as the credit card network company for the authorization of all MasterCard and VISA transactions.
3. The current ADOR setup for NDC will continue to be used. Each ADOR location is established as a separate Merchant: Currently ADOR has 12 merchant locations throughout the State. Others may be added. The percentage of swiped entries versus forced entries is unknown.

Transactions processed through the Cashier's Unit for VISA and MasterCard will be accompanied by the use of IBM Electronic Cash Registers using ICVerify software. Most transactions will be magnetically swiped using the cash register card reading equipment, sent to NDC for authorization, and stored electronically in the cash register. If the card cannot read the magnetic strip on the card, the cashier may key the credit card number and expiration date in the cash register for transmittal to NDC. If for any reason, the cash register cannot provide authorization, ADOR will dial a toll-free number to get a telephone authorization

for NDC. The authorization number received for NDC by telephone will be keyed in the cash register and electronically stored in the cash register. ADOR will key these telephone authorizations in later to get an electronic approval for NDC.

4. Successful bidder will deposit the amount of credit card transaction to ADOR's designated bank account and will provide the State Treasurer next day availability of such deposits for MasterCard and VISA transactions. All deposits to the ADOR Deposit Account shall be accomplished by electronic equipment and procedures. A daily summary by card type along with a daily reconciliation of the detail listing of transactions to amount deposited in checking account should be kept on file for retrieval of information for the life of the contract and until audited by Examiners of Public Accounts and released by ADOR. All audited records must be transferred to ADOR at the expiration of the contract period.

A monthly separate statement will be provided for each ADOR credit card merchant number reflecting the transaction activity, a summary by transaction type and the associated fees charged. A daily activity report must be provided to ADOR for all locations of the total amount deposited with the exception of charge backs.

5. Successful bidder must provide ADOR with a NDC sign-on identification to allow dial-in capability in the NDC system for daily retrieval of total credit card sales by Merchant number, and for the retrieval of individual transactions by Merchant.
6. Successful bidder agrees that it will not initiate any charge backs by reason of customer disputes to ADOR unless and until successful bidder has given actual notice of the disputed claim to ADOR and ADOR has had a reasonable time (10 working days) in which to provide an explanation. Credit slips will be processed electronically in the same manner as sales slips.
7. Successful bidder must assign a contact individual or individuals including an individual at the successful bidder's processor company. Said individual or individuals shall provide to ADOR research services on items requested within 24 hours of any transactions, as well as handle credits for ADOR. In cases where ADOR experiences a balancing problem, said contact individual or individuals shall provide to ADOR, within a reasonable time (10 working days) after request, copies of transactions for ADOR in question. These services will be provided at no charge to ADOR.
8. Successful bidder will provide, at no charge, assistance in requesting the credit card authorization vendor to address any problems concerning the operation and use of equipment related to the processing of transactions.

9. Successful bidder shall retain documentation for all service fees and any other obligation paid under contract. The books, records and documentation of successful bidder insofar as they relate to this ITB, shall be maintained for the life of the contract and until audited by the Examiners of Public Accounts and released by ADOR. All un-audited records must be transferred to ADOR at the expiration of the contract period. The records shall be maintained in accordance with generally accepted accounting principles.
10. Company will provide monthly a detailed report broken down by credit card location showing the number of sales, the amount of the sales, the number of credits, the amounts of the credits, and the amount of discount with the Merchant number showing. This report will be forwarded to ADOR, Financial Operations Section, by the 10th of the month following transactions.
11. Successful bidder agrees that there shall be no annual fees, set-up fees, initiation fees, programming fees or any other fees charge to ADOR in connection with the administration, acceptance and processing of MasterCard and VISA transactions.
12. Successful bidder and ADOR agree to comply with all acceptable State and Federal Laws and regulations during the term of the contract including that successful bidder agrees to comply with all applicable equal employment laws, regulations and orders which are incorporated herein by reference.
13. ADOR retains the right throughout the term of the contract to evaluate the services provided by successful bidder and to confirm that the same amounts payable under the contract are calculated correctly at such intervals as ADOR deems necessary.
14. Successful bidder shall maintain and assure to ADOR confidentiality of financial records obtained. Each employee of the bidder that is permanently or temporarily assigned to the processing of ADOR data must sign statements that they understand their obligations with regard to confidentiality and disclosure of information. These documents must be on file with ADOR with a copy in the employee's personnel folder. In addition, ADOR will have the right to inspect, at any time, the storage of ADOR data related to the reports. The successful bidder must ensure that the data is stored and used solely for the production of such reports and has no interaction with other bidder files. The successful bidder must also ensure that no one inside or outside of the firm has access to the data for reasons other than to fulfill the bidder's obligation under the credit card contract. Additionally, civil and/or criminal penalties exist for violation of secrecy and confidentiality statutes.
15. The vendor shall be individuals, partnerships or corporations regularly engaged in the business covered by the specifications described and possessed if satisfactory financial, technical, and organizational resources to ensure and have established a satisfactory record in the past with government and/or commercial accounts.

16. ADOR/Financial Operations will consider the selected vendor to be the only point of contact regarding contractual matters, including performance of services and the payment of any and all charges resulting from contract obligations. The vendor will provide prompt, efficient, and courteous service, and avoid undue interference with other State operations.
17. If at any time during the duration of this contract, the vendor decides that he is no longer able to perform these services, a ninety (90) day cancellation notice must be submitted. The Department requires a ninety (90) day cancellation notice in order to continue services until the service can be bid again.