

INVITATION TO BID: MERCHANT CARD PROCESSING SERVICE

The purpose of this invitation to bid is to establish a contract with a company to serve as the merchant card (debit/credit) services company for the Alabama Alcoholic Beverage Control Board (hereafter referred to as ABC Board). The contract will be a 12 month contract with an option to extend for a second, third, fourth and fifth 12 month period with the same pricing terms and conditions. The second, third, fourth, or fifth 12 month period, if agreed by both parties, would begin the day after the first, second, third, or fourth 12 month period, respectively, expires. Any successive extension may be proposed by the awarded bidder and must have written approval of both the ABC Board and awarded bidder no later than 90 days prior to the expiration of the then current 12 month period.

All bidders who intend to provide a bid packet in response to this ITB must attend a Pre-Bid Conference in Montgomery, AL on a date and time established by State Purchasing. Information shared during this conference will be documented, provided to all attendees, and will become an addendum to the original ITB.

On line 00001 of the bid: the bidder must provide a service fee that shall be equal to a percentage of the monthly net volume for credit /debit card transactions. At a minimum Visa, MasterCard, and American Express cards will be used initially with the option for Discover credit card use upon request by the ABC Board.

On line 00002 of the bid: the bidder must provide a service fee for American Express processing.

On line 00003 of the bid: the bidder must provide a service fee for PIN Debit transactions.

On line 00004 of the bid: the bidder must provide the cost to provide, program/encrypt, and install PCI compliant signature capture device(s) as specified within.

All merchant card transactions will be accomplished by the use of PC Cash Registers (or comparable registers). All transactions will be magnetically swiped using the PC Cash Register card reading equipment or a signature capture device, transmitted for authorization, and stored electronically in the PC Cash Register. If the card reader cannot read the magnetic strip on the card, the cashier may key the credit card number and expiration date in the PC Cash Register for transmittal. If there is a problem with the transmittal, then the cashier may call to receive a voice authorization approval. The authorization number received by telephone will be keyed in the cash register and electronically stored in the PC Cash Register. ABC Board will key these telephone authorizations in later to get an electronic approval.

To assist bidders in determining the service fee(s), the following data for the month of August 2009 is provided:

ABC Merchant Services Trans for August 2009

All Stores

Credit Card	Debit Card	Avg Monthly Trans Per Location	Avg Trans Amount
107210	123373	1406	\$ 41.00

Wholesale Only Stores

(3)

Credit Card	Debit Card	Avg Monthly Trans Per Location	Avg Trans Amount
310	89	133	\$ 1,634.49

The successful bidder agrees to ALL of the following provisions:

1. Awarded bidder services must be in place and ready to process and approve transactions within 60 calendar days of award notification as based on date of Purchase Order.
2. Any equipment and software bid MUST operate with the current ABC Board point-of-sale software and hardware consisting of NCR POS Main Unit Model 7402, NCR Cash Drawer Model NCR-218981059090 hardware (also referred to as PC Cash Register) and Triversity Transactionsware 9.5x, Transaction Plus (DBS) 7.0x software.
3. There shall be no installation, set up, monthly minimum billing, or other charges except for items listed on bid price sheet.
4. Awarded bidder must be Payment Card Industry (PCI) Level 1 compliant and must provide written proof of such in bid submission.
5. Awarded bidder will ensure that the credit card network company for authorization of credit/debit transactions is Payment Card Industry (PCI) Level 1 compliant and must provide written proof of such in bid submission.
6. Awarded bidder will ensure that the credit card network company can handle the volume of sales produced by the ABC Board. Daily maximum volume is estimated at \$1.5 million and 32,000 transactions with likely increases due to

seasonal fluctuation and economic inflation influence.

7. Connection for service must be via secured broadband connection with a failover dial-up connection to ensure no loss of ability to process credit/debit transactions.
8. Each ABC Board store (currently at 165 stores with growth potential up to 200) is established as a separate Merchant and each PC Cash Register within the store has a unique identification. (Note: The merchant owner will be the awarded bidder, the unique ID is the registration number provided for Transaction Plus (DBS))
9. Awarded bidder will deposit the amount of credit card transactions to the ABC Board's designated bank account based on a 72 hour arrears method to ensure proper processing.
10. Awarded bidder will provide reports and / or queries to verify and validate deposits, transactions, invoicing, reconciliations, etc. All reports will be available either online via a secure web site or email or both. The web site must provide the ability to export/create spreadsheet format files from transaction data. All reports / queries must allow for reporting all stores or a single store for a date range (start date, end date) or a single date. The following is a list of the minimal required reports / queries:
 - a. Total credit card sales by Merchant number (ABC Store):
 - b. Retrieval of individual transactions by Merchant;
 - c. Daily electronic report via email of the total amount deposited;
 - d. Monthly invoice with the following information: Store / Merchant ID, number of sales by card type, dollar sales volume by card type, and total fees charged by card type;
 - e. Authorization report: Store / merchant ID, transaction date and time, authorization number, authorized amount, last four (4) digits of card number, card / payment type, ABC Board transaction number;
 - f. Revenue report: Store / Merchant ID, period invoice volume, period refund volume, period return volume, gross revenue, merchant revenue;
11. All transactions must be credited and/or adjusted following ABC Board reconciliation procedures. Awarded bidder must provide response to any error reported by ABC Board personnel within five business days of the original error report, unless extended time is needed by the awarded bidder and approved by the ABC Board.

12. Awarded bidder must resolve all transactions that do not match the transaction information at the register to include all contact with the customer's financial institution and any reimbursement of insufficient fund charges as a result.
13. Awarded bidder must provide electronic web based, text messaging and email alerts. Example of format below:

Email alert of duplicate credit/debit card transactions

Subject: ABC Duplicate Check 2009-SEP-18

Date: 2009-SEP-18

ABC Duplicate Check

SERVICE CODE|ORDERID|TRANS DATE|CREDIT CARD|AMOUNT

ABC146|5032176|18-SEP-09 12:56:31|*5099|9
 ABC146|5032195|18-SEP-09 12:57:29|*5099|9
 ABC183|5043906|18-SEP-09 18:20:26|*1004|21.19
 ABC183|5044088|18-SEP-09 18:25:08|*1004|21.19

14. Awarded bidder must respond in person to the ABC Board Central Office located in Montgomery, AL within 2 hours of notification of issue/problem when requested. Such responder must have the authority/ability to cause the resolution or correction of such reported issue/problem.
15. Awarded bidder must retain/store credit card data necessary to research and respond to transaction challenges without requiring such by ABC Board.
16. The ability to switch to an alternative processor without requiring any change on the part of ABC Board is highly desirable. It is understood that pin based debit card use would not be available in such an instance but that using the debit card as a credit would be possible. Such switch over must take place within 10 minutes of inability of the primary processor to perform the necessary authorization to complete the transaction back to the store location. This ability is not a requirement and will not be considered during bid evaluation; however, bidder must state whether it can provide such ability.
17. Any and all training necessary must be provided by bidder and performed at the Central Office of ABC Board located in Montgomery, AL. Payment of all costs for this training will be the responsibility of the awarded bidder and are to be included in the calculation of service fees.
18. Awarded bidder must provide the ability to activate a primary point of contact (helpdesk) service available Monday through Saturday, 8 am – 12 midnight, for

reporting problems with credit card authorization and processing. Such contact must be available to both ABC Board personnel and customers via a toll free telephone number. Costs related to this possible activation are to be included in the calculation of transaction service fees.

19. Awarded bidder must provide any required update(s) to merchant card authorization processes/software (Transaction Plus (DBS) or other) on all ABC Board registers, and must perform necessary updates to signature capture devices to allow for PIN debits – awarded bidder to install and perform these updates statewide, while reporting to an ABC Board designee.

In addition, awarded bidder must provide and install Verifone MX 860 PCI compliant signature capture devices to replace all existing signature capture devices no later than June 1, 2010. All costs associated with this requirement are the responsibility of the awarded bidder. ABC Board shall have the ability to purchase any additional signature capture devices and installation of such as needed during the contract period at the unit cost as shown on the pricing sheet. Any substitution(s) must be approved in writing by ABC Board. No signature capture replacement can be begun until the ABC Board has completed an upgrade of the POS software. The anticipated completion date for such upgrade is 2/1/2010.

Bid costs should be based on the following:

- Initial # of signature capture devices – 400
- Initial # of registers – 400
- Initial # of store locations - 168

20. Awarded bidder must perform checking to prevent duplicate credit/debit card transactions and must notify the ABC Board via email within one (1) hour of possible occurrence.
21. Awarded bidder will not initiate any charge-backs, by reason of customer disputes, to ABC Board provided ABC Board has followed the proper guidelines in processing the transaction. ABC Board agrees that stores will follow appropriate procedures in order to relieve ABC Board of any obligations resulting from unauthorized sales.
22. Awarded bidder's solution must restrict use of same credit/debit card for identical transaction amount at same sales location/store within a five (5) minute timeframe if requested by the ABC Board.
23. Awarded bidder must assign a contact individual to the ABC Board to provide research on any item requested within 24 hours of transactions and to handle credits. This individual must also occasionally provide copies of transactions for stores when the ABC Board experiences a balancing problem. Problem resolution should occur within five (5) business days unless otherwise mutually

agreed upon by both parties. These services will be provided at no charge to the ABC Board.

24. Awarded bidder will be considered as the contractor for this bid. Any sub-contractor(s) must be approved in writing by the ABC Board. Resolution of any dispute with an approved subcontractor related to this bid shall be the responsibility of the awarded bidder.

Bid Price Sheet
 ABC Board
 Merchant Card Services ITB

Line	Description	Requested Info
00001	Gross Sale transaction service fee percentage.	
	American Express Credit Card	%
	Discover Credit Card	%
	MasterCard Credit Card	%
	VISA Credit Card	%
00002	Per transaction service fee for American Express	\$
00003	Per transaction service fee for PIN Debit	\$
00004	Per unit cost of replacement Veriphone MX860 Signature Capture Devices, to include encryption and installation. (Single Unit Purchases)	\$
	Updates of existing signature capture devices. (400 Units)	\$
	Purchase/encryption/installation of Veriphone MX860 signature capture devices. (400 Upgrade Units)	\$