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ARIZONA STATE TREASURER

KIMBERLY YEE
TREASURER



RFP 21-03A Merchant Services
Questions and Answers

Questions are in no particular order. State's responses are in **RED**.

1. Are the merchant fees passed along to the customer, or are they absorbed by the state?

The majority of the State agencies absorb the merchant fees.

2. What fees (I.E. Taxes, business license) are collected at the state?

There are various licenses, fees, products, and services that are collected by several state agencies by way of payment card.

3. What is the breakdown of transaction volumes?

- a. Credit
- b. Debit
- c. Visa
- d. Discover
- e. Mastercard
- f. Amex
- g. ACH
- h. E-Check

CY 2020		
	Gross Sales	Gross Transactions
Visa	\$322,717,388.65	2,505,024
MC	\$79,612,548.18	585,971
AMEX	\$35,780,503.66	47,823
Discover	\$4,483,057.05	35,433
Totals	\$442,593,497.54	3,174,251

4. Is cashiering in scope for this RFP?

Cashiering system is not, but cashiering equipment is desirable.

5. Are online payments in scope for this RFP?

Yes.

6. What alternative payment types do they accept, beyond the 4 major cards?

Agencies may accept VISA, MasterCard, Discover, American Express, cash, check, E-Check and ACH.

7. Who is the incumbent payment processor(s)?

Bank of America



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8. What about IVR? EBPP? Terminals? Other acceptance tech?
ASTO is looking for the best option and value to the State even if it is not currently used.
9. What payment issues would the State like to solve?
No issues. ASTO is looking for a Merchant Services provider that can offer a variety of payment card services, processing, terminals, and other options to meet the needs of the agencies.
10. Please confirm electronic signatures are still acceptable for the RFP response on all documents requiring authorized signature.
Electronic signatures are acceptable.
11. In reference to Arizona Risk and Authorization Management Program section of RFP, in the Arizona Baseline Infrastructure Security Controls assessment spreadsheet, Column N – General Assessment Questions, where is the respondent to enter responses to Column N questions? Should answers be provided directly below the questions in Column N, or should responses be provided in a separate column and which column?
**Please complete the Arizona Baseline Infrastructure Security Controls Pre-requisite (Excel).
Link:
<https://aset.az.gov/sites/default/files/Arizona%20Baseline%20Security%20Controls%20Pre-Requisite%20.xls>**

Column N responses can be entered in the column N cell after the question(s) or on a separate sheet as long as the questions being answered is identifiable.
12. On RFP p. 6, under “Proposal – 1. Deliverables,” ASTO requests 3 USB drives with electronic copies of the proposal. On RFP p. 13, under “Submission of Offer – 1. Sealed Envelope or Package,” the request is for 5 USB drives. Which number is correct?
1 Original printed copy plus 3 complete electronic versions of the proposal on 3 USB drives.
13. Will ASTO accept stamped signatures or electronic signatures such as DocuSign on forms that require signatures?
ASTO can accept electronic signatures but prefers Adobe Sign.
14. Can the State please provide the last three (3) months of merchant statements?
No. The State of Arizona has over 300 merchant card accounts across more than 60 agencies.



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RFP 21-03 Merchant Services
Questions & Answers

These are the question and answers from RFP 21-03 issued April 30, 2021
Questions are listed as submitted in no particular order. State's responses are in BLUE.

1. Regarding Page 43, item 10: can the State provide details on the referenced hardware and software?
Here is a list of a few of the hardware and software previously and currently used by the State but is not limited to:
Hardware: Clover Flex, Clover STN C500, Clover Go, Bluefin, FD150, RP10, V400m, MN 1400, CM CRMT, MT WMIN, MA GUSB, MG IPAD, TE MPUS
Software: PayConex, Salesforce, jBilling, Oribpay, Point and Pay, Authorize.Net.
2. Regarding page 46, item 5.b: Will the ACH reversals be handled internally or by a third party?
ACH items will mostly likely be handled by a third party, but we are open to hearing other options that may benefit the State.
3. Regarding page 47, item 10: can the State please define what is meant by three-digit state agency AFIS code. Please provide a use case associated with this requirement.
The three-digit State agency AFIS code is a code assigned to all State agencies to identify the agency in our statewide accounting system. The code would be used for merchant account titles and/or description.
4. Regarding page 50, 1st and 2nd bulleted items: Please explain what is meant by "alternative unbundled bid pricing structure". What is the intent of this requirement?
We are wanting to know any pricing model that the bidder is offering such as, bundled pricing, interchange-plus, flat rate, tiered, etc.
5. Can the State provide details about annual transaction volumes and dollar amounts?
For calendar year 2020, gross sales totaled \$464,457,204.12 and gross transaction totaled 3,456,656.
6. In Section 3, under "Proposal," ASTO requests 5 complete electronic versions of the proposal on a USB drive (RFP p. 5). For clarification, does ASTO want 5 USB drives, each with an electronic version of the proposal? *Yes.*
7. Are ACH payments part of this procurement?
The State will consider any items that are deemed to be in the best interest of the State.
8. Can ASTO provide a breakout of transaction volume and dollar amounts by payment type?



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9. In Section 4, under “Minimum Criteria,” ASTO requires a “signed completed contract” (RFP p. 7). Does ASTO intend for offerors to submit their sample completed contract, or is there another completed contract that ASTO requires the offeror submit with their submission?

The signed RFP document is the completed contract. Any exceptions to the contract should be completed in the Exceptions section as part of the response.

10. For the hardware requirements, which terminals are in use today? How many terminals would be required for the new contract?

Please see question 1. for hardware terminals. Number of terminals will depend if state owned equipment is compatible with merchant services provider.

11. Will digital/stamped signatures be acceptable, or do all signatures need to be wet ink?

For the RFP, it can be an electronic signature.

12. What third party software is in use by ASTO, and will it require integration?

Please see question 1. for software information.

13. On p. 45, under “Merchant and Debit Card Processing Services” #4, Touch Tone Credit Card Payment Systems, is ASTO referring to an Interactive Voice Response system?

Yes.

14. What are the state’s current fee rates by agency?

All agencies that utilize the State contract are charged the contract rate.

15. Can ASTO confirm whether it is currently using a merchant funded or convenience fee model?

Merchant funded for the State contract, but there are uses of the convenience fee model on other contracts.

16. Does ASTO have a preferred pricing structure (bundled or unbundled), or should vendors provide a cost breakdown for both?

Please provide both.



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17. Does ASTO have a preferred format for Pricing Schedule responses, or should vendors provide our own format?

Vendor can provide own format to include Exhibit B: Pricing of RFP.

18. Will the State of Arizona have a need for Convenience Fee processing at any of its agencies?

Yes.

19. Exhibit B- Scope of Work, Services and Processing Requirements, Page 45: 10. The Provider must support existing hardware and software pertaining to credit card collections or provide processing hardware and software to designated State locations and provide appropriate training in use of the same.

Can you list the hardware, software and online payment gateways that currently exist that must be supported?

Please see question 1. for hardware and software information.

Current gateways used but are not limited to are Payconnex, Payeezy, Commerce Payment Portal, Payment Collection Gateway, Cybersource, CashPro Biller Gateway, Authorize.Net.

20. Exhibit B- Scope of Work, Services and Processing Requirements, Page 45: 12. Provide next day settlement for Visa, MasterCard, AMEX and Discover Card network transactions. If not able to, provide settlement schedule for each card network.

What is the depository Bank for funding?

Bank of America

21. Can credit card volume be broken out by card type (i.e. American Express, Discover, Visa, etc.), with each participating department specified?

Table with 3 columns: Card Type, Gross Sales, Gross Transactions. Rows include Visa, MC, AMEX, Discover, and Totals for CY 2020.

22. Provide debit card volume with each participating department specified.

Calendar Year 2020 Debit Card:

Gross Sales - \$ 21,863,706.58

Gross Transactions - 282,405



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23. Provide the percentage of card transactions which are from business cards vs. consumer cards.
[Visa only transactions - Business 23% and Consumer 77%.](#)
24. Can you confirm which bank(s) you have deposit account relationships with?
[Currently, merchant services deposits are deposited with Bank of America.](#)
25. Section 5, Offer Preparation #1 says that an offer shall be on the forms provided or their substantial equivalent. Should vendors complete their response within the provided Exhibits A, B, C, D, and F, or can they pull the required information in Exhibits B-D into an offeror's format, addressing each requested item?
[Offerors can they pull the required information in Exhibits B-D into an offeror's format, addressing each requested item.](#)
26. Section 4 states that the offeror must provide a signed completed contract to be considered for award. Does the completion and execution of Section 2 Offer and Acceptance meet this requirement? [Yes.](#)
27. Referencing Merchant and Debit Card Processing Services, #5 a/b: ACH returns and reversals shall be processed within 24 hours of receipt. Can this section be interpreted as the Contractor must process the return/reversal within 24 hours of the Contractor arriving at a finalized determination of the need for the return/reversal?
[Yes.](#)
28. Approximately how many POS payment devices are currently utilized by all participating agencies?
[This ranges from agency from one to many.](#)
29. Scope of Work Exhibit B – 13-14, page 41: Please provide a list of software and payment gateways/solutions (with the version numbers) by agency that are being used or will be used in the future.
[Please see question 19. for software and gateway information.](#)
30. Scope of Work Exhibit B – 13-14, page 41: Please provide a list of terminals in use by agency including their make, model and quantity.
[Please see question 1. for hardware information.](#)
31. Regarding p. 5; Item 1 Deliverables. Please clarify if the ASTO would like 5 electronic copies of the RFP response on 1 USB drive, or 5 USB drives.
[5 USB drives each with a complete electronic version of the proposal.](#)



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32. Regarding p. 10; Item 4 Timeliness. Please clarify if it is acceptable to provide Exceptions to Terms with the response on the response Offer due date of 06/11/2021, or if Exceptions are required to be submitted and received by ASTO at least (7) days before the offer due date.
[Exceptions to the Terms and Conditions should be submitted as part of the response by the due date and time listed in Figure 1: Schedule.](#)
33. Will the State of Arizona have a need for Convenience Fee processing at any of its agencies and/or is the Agency planning for convenience fees in the future?
[Yes.](#)
34. What is the annual ACH dollar volume processed?
[ACH transactions are not part of this RFP and Scope of Work.](#)
35. What is the average ACH transaction amount?
[ACH transactions are not part of this RFP and Scope of Work.](#)
36. What is the high dollar ACH transaction amount?
[ACH transactions are not part of this RFP and Scope of Work.](#)
37. Please provide how the Cardholder will give their consent for the ACH (example: via website, phone, written contract)?
[This will vary on the agency and their process and procedures.](#)
38. Please provide the transactions and dollar volumes from 2019 and 2020 for: card present, card not present, via IVR application, via e-Commerce (internet), pin-based debit, Mobile/Digital wallets, and mail or telephone.
[This information is not able to be obtained.](#)