

OFFICE OF THE ARIZONA STATE TREASURER

1700 WEST WASHINGTON STREET
PHOENIX, ARIZONA
85007

SPECIAL BANK CARD PROCESSING SOLUTIONS FOR SPECIFIC STATE AGENCIES

REQUEST FOR PROPOSAL #17-01

ISSUED: MAY 23, 2017

PRE-BID WRITTEN QUESTIONS DUE: JUNE 2, 2017, 5 P.M. MST

DUE: JUNE 21, 2017, 2 P.M. MST

INDEX

Introduction	3
Offer and Acceptance	4
Special Instructions to Bidders	5
Uniform Instructions to Bidders	8
Special Terms and Conditions	14
Uniform Terms and Conditions	18
Scope of Work	28

OFFICE OF THE ARIZONA STATE TREASURER

REQUEST FOR PROPOSAL

SPECIAL BANK CARD PROCESSING SOLUTIONS

This document constitutes a Request for Proposal via competitive sealed bids, from qualified organizations to perform the Scope of Work set forth herein.

The successful proposer to this RFP will enter into a contract with the State Treasurer for three years starting during the state's fiscal year 2018 (July 1, 2017 through June 30, 2018) depending on timing of transition from existing card solution, with two possible one-year extensions thereafter by mutual agreement. All formal inquiries or requests for significant or material clarification or interpretation must be directed in writing or by e-mail to the Procurement Officer listed in Special Instructions to Bidders section 2.1.

Notice: Prospective offerors (the "Offerors") who received this document from the Arizona State Treasurer's Webpage, or from a source other than the Issuing Office, should immediately contact the Procurement Officer listed in Special Instructions to Bidders section 2.1 and provide their name, mailing address and email address in order that amendments to this Request for Proposals ("RFP" or "solicitation") or other communications can be sent to them. Any prospective Offeror who fails to notify the Issuing Office with this information assumes complete responsibility in the event that they do not receive the amendments and other communications from the Issuing Office prior to the closing date.

OFFER AND ACCEPTANCE

Offer

The undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, scope of work and amendments to the solicitation.

Respondent

By: _____

Title _____

Company _____

Date _____

By signature in the offer section above, the bidder certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The bidder shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. 41-1461 through 1465.
3. The bidder has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. None of the provisions of the Agreement may be waived, changed or altered except in writing signed by both parties.

Acceptance

The Offer is hereby accepted.

Office of the State Treasurer

By: _____

Title _____

Date _____

SPECIAL INSTRUCTIONS TO BIDDERS

1 Pricing

1.1 During the course of the contract period, state programs could be added and deleted according to the business requirements of the State Treasurer and state agencies.

2 Bid Submittals

2.1 Bids are due at the address listed below on or before 2:00 p.m. (MST) on Wednesday, June 21, 2017. Responses must include one original, three (3) additional copies and a digital copy on CD-ROM/USB that will be used in the evaluation process. The original copy of the bid should be clearly labeled "ORIGINAL". The material should be in sequence and related to the Request for Proposal. Bids received after the date and time specified herein will not be considered. Bids shall be opened publicly at the time and place designated on the cover page of this document. The name of each bidder shall be read publicly and recorded. All other information contained in the bids shall be confidential. Prices will **NOT** be read. Bids will not be subject to public inspection until after contract award. Bids shall be irrevocable offers for sixty (60) days after the due date and sent to the Procurement Officer listed below.

Office of the State Treasurer
Attn: Lorraine Jones, Deputy Treasurer of Operations
1700 W. Washington
Phoenix, AZ 85007
LorraineJ@aztreasury.gov

2.2 All pre-bid questions must be in writing to the Treasurer's Office by Friday, June 2, 2017 at 5 p.m. MST. All questions must be sent to the Procurement Officer listed in Special Instructions to Bidders 2.1, by certified mail or return receipt requested email.

3 Evaluation

In accordance with the A.R.S. 35-315(C), award(s) shall be made to the responsible bidder whose bid is determined in writing to meet the qualifications, provide the highest value to the state and conforms to the requirements and criteria set forth in this document. *The bidder is cautioned that it is the bidder's sole responsibility to submit all required information and that the State of Arizona is under no obligation to solicit such information if it is not included with the bidder's bid. Failure of the bidder to submit such information may cause an adverse impact on the evaluation of the bidder's bid as to the responsiveness of the bid and the responsibility of the bidder.*

Cost	25%
Conformance to Scope of Work	25%
Method of Approach	25%
Experience	25%

3.1 Cost. The bidder must provide a firm, fixed price for all requirements set forth in this Request for Proposal. All firm, fixed prices must be shown on the pricing schedule of this RFP which must be completed, signed, and returned with bidder's bid.

3.2 Conformance to Scope of Work. The bidder must present a written narrative which demonstrates the method or manner in which the bidder proposes to satisfy the requirements of the Scope of Work. The language of the narrative should be straight forward and limited to fact, solutions to problems and plans of proposed action. The written narrative should include specific responses to the items listed below in addition to addressing the requirements contained in the Scope of Work.

3.2.1 Transaction Reporting

- a. What report options are available?
- b. What online system is available?
- c. What type of transaction reporting service do you provide?
- d. What type of output media is available for transaction reporting?

3.2.2 Transaction Reconciliation Report

- a. What is your business' standard cut-off for statements/reports?
- b. How soon after the cut-off date will the following be made available?
 1. Statements
 2. Reconciliation information

3.3 Method of Approach.

3.3.1 Competitive Position and Future Commitment

- a. What differentiates your service from other providers?
- b. How do you plan to keep services current and competitive?
 1. What approach is the business taking in the development of new services?
 2. What new services or features does the business plan to offer, and within what time frame?

3.3.2 Outsourcing

- a. Are any applications outsourced to a third party? If so, name the vendor(s), and describe the application(s).
- b. Describe the role of any third-party vendor used by the business to provide this service.

3.3.3 Technical Capabilities

- a. What security procedures are in place (e.g., encryption/authentication)?
- b. How do you plan to keep this product current and competitive as it relates to changes in technology?

3.3.4 Disaster Recovery

- a. What disaster recovery plans does the firm/bank have to avoid interruptions in service?
- b. Describe the business' disaster recovery plan in detail.
- c. Where are the off-site facilities located? Are they "hot" sites? Describe the location and capabilities. Is there an alternative backup site? If yes, describe the location and capabilities.
- d. How quickly can the hot site be implemented in the event of an emergency?

3.3.5 Customer Service and Quality

- a. Indicate your business' customer service organizational structure.
- b. Will a specific customer service representative be assigned to handle this business?

- c. Describe the responsibilities of customer service personnel, including the chain of command for problem resolution.
- d. What are the hours of operation of the customer service unit in Mountain Standard Time?
- e. Does your business provide technical customer support for application and communication problems?
- f. Does the business have a formal quality improvement program for this service? If yes, please describe.

3.3.6 Implementation

- a. Provide a copy of all agreements that will be required to initiate services.
- b. Provide a detailed description of the implementation process, including testing, and a sample implementation schedule.
- c. What is the average lead time required for implementation?
- d. Describe materials available and/or any on-site training that you provide.
- e. Do you assign an implementation team?

3.4 Experience and Reliability. Please submit any information which documents successful and reliable experience in past performances related to the required services contained herein. Also provide any information which documents unsuccessful efforts within the past 36 months.

3.4.1 Personnel

- a. Please list names, titles, phone numbers, and e-mail address and provide brief biographies of business contact personnel.
- b. Identify the primary contact assigned to our account.
- c. How many employees do you have in key areas providing the service?

3.4.2 Experience

- a. How long has your business offered the service being requested?
- b. Specify the number of government/business customers using this service.
- c. Provide names and phone numbers of three references, preferably governments who are currently using the service requested. Select a mix of long-standing and recent customers.
- d. Provide any additional information which you believe to be relevant to your capabilities to provide the services requested, e.g., product brochures, articles in trade journals, etc.
- e. Provide a statement of whether, in the last ten years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding. Whether there is any pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet the contract requirements.

3.5 Submittal Requirement. All responses to specific questions contained within the RFP shall be submitted as a separate document together with the bid form (Appendix A).

UNIFORM INSTRUCTIONS TO BIDDERS

A. **Definition of Terms.** As used in these Instructions, the terms listed below are defined as follows:

1. *“Attachment”* means any item the Solicitation requires a Bidder to submit as part of the Offer.
2. *“Contract”* means the combination of the Solicitation, including the Uniform and Special Instructions to Bidders, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. *“Contract Amendment”* means a written document signed by the State Treasurer that is issued for the purpose of making changes in the Contract.
4. *“Contractor”* means any person who has a Contract with the State.
5. *“Days”* means calendar days unless otherwise specified.
6. *“Exhibit”* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. *“Offer”* means bid, proposal or quotation.
8. *“Bidder”* means a vendor who responds to a Solicitation.
9. *“Solicitation”* means an Invitation for Bids (“IFB”), a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).
10. *“Solicitation Amendment”* means a written document that is signed by the State Treasurer and issued for the purpose of making changes to the Solicitation.
11. *“Subcontract”* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or my service required for the performance of the Contract.
12. *“State”* means the State of Arizona and Department or Agency of the State that executes the Contract.

B. **Inquiries**

1. Duty to Examine. It is the responsibility of each Bidder to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its’ Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.
2. Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding

standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Bidder shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.

3. Submission of Inquiries. The State Treasurer or the person identified in the Solicitation as the contact for inquiries requires that an inquiry be submitted in writing or email. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. *The State shall consider the relevancy of the inquiry but is not required to respond in writing.*
4. Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. No Right to Rely on Verbal Responses. A Bidder shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.
7. Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Bidders should raise any questions about the Solicitation or the procurement at that time. A Bidder may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
8. Persons with Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

C. Offer Preparation

1. Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.
2. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
3. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Bidder's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Offer.

4. Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Bidder clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the State Treasurer in a written statement. The Bidder's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
 - i. Invitation for Bids. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
 - ii. Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.
5. Subcontracts. Bidder shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
6. Cost of Offer Preparation. The State will not reimburse any Bidder the cost of responding to a Solicitation.
7. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.
8. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
9. Provision of Tax Identification Numbers. Bidders are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
 - 9.1 Employee Identification. Bidder agrees to provide an employee identification number or social security number for the purposes of reporting to appropriate taxing authorities, monies paid under this contract. If the federal identifier of the Bidder is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.
10. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
11. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Bidder shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Bidder shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

12. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
 - 12.1 Special Terms and Conditions;
 - 12.2 Uniform Terms and Conditions;
 - 12.3 Statement or Scope of Work;
 - 12.4 Specifications;
 - 12.5 Attachments;
 - 12.6 Exhibits;
 - 12.7 Special Instructions to Bidders;
 - 12.8 Uniform Instructions to Bidders;
 - 12.9 Other documents referenced or included in the Solicitation.
13. Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

D. Submission of Offer

1. Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Bidder and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.
2. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
3. Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If a Bidder believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
4. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Bidder certifies that:
 - i. The Bidder did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
 - ii. The Bidder does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

E. Evaluation

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the offer for the purposes of evaluating that price.
3. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
4. Disqualification. A Bidder (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.
5. Offer Acceptance Period. A Bidder submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, a Bidder shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.
6. Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
 - 6.1 Waive any minor informality;
 - 6.2 Reject any and all Offers or portions thereof; or
 - 6.3 Cancel the Solicitation.

F. Award

1. Number or Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the State Treasurer determines that an aggregate award to one Bidder is not in the State's best interest, "all or none" Offers shall be rejected.
2. Contract inception. An Offer does not constitute a Contract nor does it confer any rights on the Bidder to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the State Treasurer's (or designee) signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.
3. Effective Date. The effective date of this Contract shall be the date that the State Treasurer (or designee) signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

G. Protests.

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted there under. Protests shall be in writing and be filed with the State Treasurer. A protest of a Solicitation shall be received by the State Treasurer before the Offer due date. A protest of a proposed award or

of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

- 1.1 The name, address and telephone number of the protester;
- 1.2 The signature of the protester or its representative;
- 1.3 Identification of the purchasing agency and the Solicitation or Contract number;
- 1.4 A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
- 1.5 The form of relief requested.

SPECIAL TERMS AND CONDITIONS

1 Term of Contract

- 1.1 The term of contract shall commence during the State's fiscal year (July 1, 2017 through June 30, 2018) and shall remain in effect for a period of three (3) years thereafter unless terminated, canceled or extended as otherwise provided herein.
- 1.2 The State reserves the right to extend contract up to a maximum of twenty-four (24) months.
- 1.3 The contract shall not bind nor purport to bind, the State for any contractual commitment in excess of the original contract period. The State Treasurer shall have the right, at its sole option, to renew the contract for two (2) one-year renewals. If the State Treasurer exercises such rights, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period.

2 Project Management

- 2.1 The Contractor shall appoint a project manager to be responsible for the planning, progress, and successful completion of all activities during the contract period.
- 2.2 The Contractor shall, within seven (7) days after the award of the contract, submit a written identification and notification to the Office of the State Treasurer of the name, title, address, and telephone number of one (1) individual within its organization as a duly authorized representative to whom all correspondence, official notices, and requests related to the contractor's performance pursuant to the contract shall be addressed. The Contractor shall have the right to change or substitute the name of the individual described above as deemed necessary with written approval of the State Treasurer.
- 2.3 The Office of the State Treasurer shall provide the contractor with the name of a contact person who will coordinate all information to and/or from the Contractor.

3 Insurance

- 3.1 The contractor shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

Commercial General Liability (Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.)

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability – Written and Oral	\$1,000,000
Fire Legal Liability	\$ 50,000
Damage to Rented Premises	\$ 50,000
Each Occurrence	\$1,000,000

The policy shall be endorsed to include the following additional insured language:

“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.

Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

4 Federal Immigration and Nationality Act

4.1 The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. This includes but is not limited to the compliance requirements contained ARS 41-4401 and E-Verify. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

5 Designated Contact Representative

5.1 The contractor shall designate a primary contact representative for the State Treasurer’s account: in addition, two secondary contacts shall be identified. The contractor shall provide an organizational chart with the names, titles, departments, e-mail addresses and telephone numbers of the manager and other departmental personnel assigned to the State Treasurer under this contract. The contractor shall not substitute key personnel assigned to the performance of the required services without written approval of the Office of the Arizona State Treasurer.

6 Services

The State of Arizona is interested in evaluating the possibility of utilizing the services listed below. If these services are available, the bidder should describe the services in detail and present a separate cost proposal for each.

6.1 An Education Savings Account purchasing/account card that can provide pre-approval of purchases prior to transactions being completed or restrict purchases at a product code or MCC code level, with the card owner being a private person.

- 6.2 An Inmate account card solution that allows for online immediate creation of a card/account/solution that can receive multiple payment loads. Prefer a web based program to register and load cards and the capability to unload cards.

7 Third Party Arrangements

Third party arrangements to deliver the services requested must be fully disclosed by the Bidder. Any future third part arrangements shall be pre-approved by the State Treasurer’s Office. A description of the role for any third party vendor/processor shall be provided.

8 Technical Capabilities

- 8.1 The successful bidder is required to ensure that the State receives electronic access to banking card information via a properly secured method. Such a method must include encryption methods to ensure the confidentiality of information during transit; a method to provide for non-repudiation of transaction information; and an authentication mechanism sufficient to ensure use of the system is restricted to authorized persons. Usage of the system must create sufficient audit trail to provide the information necessary to identify specific transactions, their source, affect and modification.

Any electronic banking system provided by the successful bidder must remain current with changes in the security protocols.

The successful bidder must be able to provide the State of Arizona with various reporting formats for information. These formats must include reports available in the following formats: BAI; ANSI; Comma-Separated Value; and formatted reports.

9 Disaster Recovery

- 9.1 The successful bidder is required to maintain a tested disaster recovery and business continuity plan throughout the term of the contract resulting from this RFP. This plan, along with any modifications or testing results will be available for review by the Arizona State Treasurer’s Office with notice.

At a minimum, such disaster recovery plan will include information regarding the steps taken to avoid interruptions in service availability to the State of Arizona. The plan must address the recovery time objective (RTO), the recovery point objective (RPO), the establishment of a minimum level of critical support, and a maximum tolerable downtime. Additionally, the plan will include information regarding at least one alternative processing facility, its capacity and capability levels, along with specific methods to provide access to banking information if the primary electronic banking system is out of service.

10 Pandemic Contractual Performance

- 10.1 The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The state may require a copy of the plan at any time prior or post award of a contract. At a minimum, the pandemic performance plan shall include:

a) Key succession and performance planning if there is a sudden significant decrease in contractor's workforce.

b) Alternative methods to ensure there are products in the supply chain.

c) An up to date list of company contacts and organizational chart.

10.2 In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:

a) After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms.

b) The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized pursuant to § 41-2537 of the Arizona Procurement Code.

c) Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

10.3 The State, at any time, may request to see a copy of the written plan from the Contractor. The contractor shall produce the written plan within 72 hours of the request.

11 PCI STANDARDS

11.1 The Contractor must demonstrate that it is PCI compliant as well as provide a commitment that the Contractor will always adhere to PCI standards. The project manager shall provide the Arizona State Treasurer a copy of the following audits performed no more than twelve (12) months ago within seven (7) days of issuance of the contract.

- SSAE-16
- PCI DSS

12. FDIC INSURANCE REQUIRMENTS

12.1 In respect to the ESA card program, the successful bidder must demonstrate how funds on an individual card/account/solution will either be insured by Federal Deposit Insurance Corporation, or if funds are held in aggregate at the bidder's financial institution before vendors and merchants are paid, that the institution is or will be a participant in the State of Arizona's pooled collateral program operated by the State Treasurer's office. Conversely, if the successful bidder proposes a system in which funds remain with the state until dispersed for vendor and merchant payments, then insurance is not required.

UNIFORM TERMS AND CONDITIONS

1 Definition of Terms.

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1 "Attachment" means any item the Solicitation requires the Bidder to submit as part of the Offer.
- 1.2 "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Bidders, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3 "Contract Amendment" means a written document signed by the State Treasurer that is issued for the purpose of making changes in the Contract.
- 1.4 "Contractor" means any person who has a Contract with the State.
- 1.5 "Days" means calendar days unless otherwise specified.
- 1.6 "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7 "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8 "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9 "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10 "Services" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11 "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12 "State" means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13 "State Fiscal Year" means the period beginning with July 1 and ending June 30.

2 Contract Interpretation

- 2.1 Arizona Law. Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as

adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

- 2.2 Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- 2.3.1 Special Terms and Conditions;
 - 2.3.2 Uniform Terms and Conditions;
 - 2.3.3 Statement or Scope of Work;
 - 2.3.4 Specifications;
 - 2.3.5 Attachments;
 - 2.3.6 Exhibits;
 - 2.3.7 Documents referenced or included in the Solicitation.
- 2.4 Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6 No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3 Contract Administration and Operation.

- 3.1 Records. Pursuant to A.R.S. 35-214 and 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit. Pursuant to A.R.S. 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor

facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

- 3.5 Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. The State Treasurer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the State Treasurer.
- 3.7 Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
- 3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 3.10 E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.

3.11 Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4 Costs and Payments

4.1 Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

4.2 Delivery. Unless stated otherwise in the Contract, all prices shall be FOB Destination and shall include all freight delivery and unloading at the destination.

4.3 Applicable Taxes.

4.3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

4.3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4 IRS W9 Form. In order to receive payment, the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.

4.4 Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5 Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1 Accept a decrease in price offered by the, contractor;

4.5.2 Cancel the Contract;

4.5.3 Cancel the Contract and re-solicit the requirements.

5 Contract Changes

- 5.1 Amendments. This Contract is issued under the authority of A.R.S. 35-315 and the State Treasurer (or designee) who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the State Treasurer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2 Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the State Treasurer (or designee). The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3 Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the State Treasurer (or designee). The State shall not unreasonably withhold approval.

6 Risk and Liability

- 6.1 Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2 Indemnification
- 6.2.1 Contractor/Vendor Indemnification (Not Public Agency). The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence. Notwithstanding any provision of the Agreement to the contrary, a department of the State of Arizona is not authorized to indemnify Firm/Bank.
- 6.2.2 Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers.
- 6.3 Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. 41-621 and A.R.S. 35-154, this section shall not apply.

6.4 Force Majeure.

6.4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2 Force Majeure shall not include the following occurrences:

6.4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services applied by third parties to the Contractor, toward fulfillment of this Contract.

7 Warranties

7.1 Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1 Of a quality to pass without objection in the trade under the Contract description;

7.2.2 Fit for the intended purposes for which the materials are used;

7.2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;

7.2.4 Adequately contained, packaged and marked as the Contract may require; and

7.2.5 Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4 Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5 Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

7.6 Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1 Contractors Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. 12-510, except as provided in A.R.S. 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S. Title 12, Chapter 5.

7.6.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the State Treasurer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8 State's Contractual Remedies

8.1 Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the State Treasurer (or designee) may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2 Stop Work Order.

8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The State Treasurer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3 Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4 Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5 Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

8.6 Liquidated Damages. All recommendations for the assessment of liquidated damages are subject to the review, modifications and approval of the Arizona State Treasurer's Office. Additional liquidated damages may be established as other State Agencies contract for the services contained within this contract. It is agreed that any waiver of liquidated damages shall not constitute a future waiver of any liquidated damages.

All assessed liquidated damages must be paid within thirty (30) calendar days of written notification.

There shall be no prorated damages for partial periods. For example, if penalties are five hundred dollars (\$500.00) per minute and the penalty period is 8 eight seconds, the penalty shall be \$500.00.

The Contractors shall not be required to pay liquidated damages for delays due to matters as described in the "Force Majeure" section of this contract, for delays caused by the States actions, for delays due to changes which are requested in writing by the State of Arizona or for time delays specifically approved, in writing, by the State of Arizona.

For purposes of this section, "day" or "calendar day" shall be defined as a 24-hour period, commencing at 12:00 a.m. and ending at 11:59 p.m.

Assessment of liquidated damages shall not be exclusive or in any way limit any other remedies available to the State of Arizona for Contractor's breach in equity or law.

In the event that the online operations do not commence within the specified time schedule, if is a computer malfunction, outage, or if the end user is otherwise unable to transact any on-line transactions, the Contractor shall pay to the State of Arizona as liquidated damages, the amount of one thousand dollars (\$1,000.00) per day.

In the event of failure to provide interface of data or interface files of transactions or the incorrect interface of data or interface files, the Contractor shall pay to the State of Arizona as liquidated damages, the amount of two hundred and fifty dollars (\$250.00) per hour, per occurrence.

In the event that the Contractor fails to comply with the confidentiality of Taxpayer Information contained within Special Terms and Conditions of this Request for Proposal, the Contractor shall pay to the State of Arizona one

thousand dollars (\$1,000.00) per occurrence per payment.

9 Contract Termination

9.1 Cancellation for Conflict of Interest. Pursuant to A.R.S. 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. 38-511.

9.2 Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3 Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4 Termination for Convenience. The State reserves the right to terminate the Contract in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5 Termination for Default.

9.5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The State Treasurer shall provide written notice of the termination and the reasons for it to the Contractor.

9.5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

9.5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems

appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6 Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10 Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11 Arbitration.

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. 12-1518, except as may be required by other applicable statutes (Title 41).

SCOPE OF WORK

The Arizona State Treasurer's Office (ASTO) is responsible for providing various banking services to all agencies of the State of Arizona. Most of these services are provided through a central service bank contract and a central merchant services account contract. From time to time, certain programs operated by state agencies require alternative banking solutions to enhance customer services provided by a state agency.

This RFP is searching for alternative banking services for state programs. There are 2 programs currently that may benefit from alternative solutions. They are; Arizona Department of Corrections (ADOC) Inmate Release Card Program and Arizona Department of Education (ADE) Empowerment Scholarship Account (ESA). Bidders can bid on one or both of the solutions that the Treasurer's office is seeking under this proposal. State in your response if the response applies to one or both programs. The Treasurer's Office may select a bid for either or both solutions.

The programs have the potential to operate differently in regards to the timing between the activation of the Card and posting of the funds. The card/solution/account must allow for funding to the card/solution/account regardless of whether the card/solution/account has been activated by the holder.

Other State agency programs may be added at the State's sole discretion and if additional programs are added in the future.

Inmate Accounts for the Arizona Department of Corrections.

Currently, upon release from the ADOC, an inmate is provided a debit card that contains the inmate's balance of funds.

The ASTO is seeking solutions that would provide released inmates with a payment card/solution that would;

- i. The card/solution/account must be reloadable and used throughout the financial system in the United States.
- ii. The card/solution/account must allow for cash withdrawals. ATM, Bank Teller, POS. The solution should allow for unlimited/no maximum cash withdrawal. The solution should allow for balance inquiry via "teller" or online 24/7 at no cost to the card/solution/account holder.
- iii. If the solution includes a card, the card must be available from stock to be issued at the agency's location and allow for the immediate assignment and loading of funds. Any other solution must also be available to the agency to create online for immediate assignment.
- iv. The card/solution/account must allow for funds to be unloaded and returned to the state at the request of DOC, preferably via online web access.

The fee structure for card/account use to the card/solution/account holder should be reasonable and the fee structure information should be made available to the card/solution/account holder at creation of card/solution/account and be available for future reference online.

Empowerment Savings Accounts (ESA) for the Arizona Department of Education.

Currently, a parent that is awarded an ESA grant is provided with a pre-paid debit card that is restricted based on Merchant Category Codes that allows the parent to purchase certain educational and therapeutic services as described in ARS 15 – 2402(B,4).

Parents are then required to submit receipts to the Arizona Department of Education for all purchases made. Parents must remain in control of how funds are spent, but solutions can allow for review and authorization of purchases prior to final completion of goods or service purchases.

The ASTO is seeking solutions that would provide parents with a payment card/solution/account that would;

- i. Able to restrict purchases down to the product code if possible (MCC code restriction at a minimum), as well as automate the receipting process requirements for the ADE. Solutions may include an automated prior authorization process for allowable purchases, an electronic market place for purchases, or reimbursement of purchases.
- ii. The card/solution/account must allow for activity to be suspended and funds to be unloaded and returned to the state at the request of ADE and/or ASTO.
- iii. The card/solution/account must allow for periodic loading of funds after initial fund/card/account creation and funding.
- iv. Prevent cash access, no ATM, Merchant cash back or Teller cash withdrawal functions.
- v. Offer an online bill pay function for payment of educational services by the Cardholder.
- vi. The card may operate as a debit card, a stored value card, or another electronic access-type card/solution/account and shall have no line of credit.
- vii. The cardholder shall not make deposits to the card/solution/account.
- viii. Card issued and/or account information must be mailed from the provider directly to the card/solution/account holder.

The solution must allow ADE and ASTO to see account transaction activity as well as historical data of transactions by account.

The solution shall provide a daily text delimited data file into a drop box at the end of each calendar day as a B2B service using SFTP for downloading files. The drop box shall allow ADE to pull the data daily. The data shall remain available in the drop box for 5 business days.

The daily text delimited data file shall contain:

1. A Daily Transaction Listing

The daily transaction listing shall include a row for each transaction that includes, for each transaction:

1. Cardholder Name
2. Card Expiration Date (MM/YYYY)
3. Card Number (or portion thereof)
4. SSN (portion only)
5. Treasury Id (as provided by ASTO)
6. Bank Account Number
7. Transaction Code
8. Transaction Amount
9. Transaction Date
10. Transaction Time
11. Transaction Entry Method
12. Merchant Name
13. Authorization Code

14. Response
 - a. Approved
 - b. Declined
 - c. ...

2. A Daily Balance Listing

The daily balance listing shall include one row for each Bank Account Number referenced within the daily transaction listing that includes:

1. Card Number (or portion thereof)
2. Card Expiration Date
3. Cardholder Name
4. SSN (portion only)
5. Treasury Id (as provided by ASTO)
6. Bank Account Number
7. Balance Amount
8. As Of Date
9. As of Time

3. A Daily Cardholder Profile Listing

The daily cardholder profile listing shall include one row for each cardholder profile that altered on that day that includes:

1. Card Number (or portion thereof)
2. Transaction Date
3. Cardholder Name
4. SSN (portion only)
5. Treasury Id (as provided by ASTO)
6. Bank Account Number
7. Street Address Line 1
8. Street Address Line 2
9. City
10. State
11. Zip Code
12. Phone Number

4. A Daily Cards Created Listing

The daily cards created listing would include one row for each card issued that day that includes:

1. Card Number (or portion thereof)
2. Cardholder Name
3. Issue Date
4. Card Expiration Date (MM/YYYY)

5. SSN (portion only)
6. Treasury Id (as provided by ASTO)
7. Bank Account Number
8. Street Address Line 1
9. Street Address Line 2
10. City
11. State
12. Zip Code
13. Phone Number

5. A Daily Lost and Stolen Card Listing

The daily lost and stolen card listing would include one row for each card reported Lost or Stolen that day that includes:

1. Old Card Number (or portion thereof)
2. New Card Number (or portion thereof)
3. Cardholder Name
4. SSN (portion only)
5. Treasury Id (as provided by ASTO)
6. Bank Account Number
7. Date Lost Or Stolen
8. Actual Status

6. An Individual Account Balance Query

The individual account balance query would return a single row for the specified Bank Account Number that includes:

1. Bank Account Number
2. Balance Amount
3. As Of Date
4. As of Time

Solutions similar to the manner in which Health Savings Accounts work are desired.

The fee structure for card/solution/account use to the card/solution/account holder shall be reasonable and the fee structure information should be made available to the card/solution/account holder at creation of card/solution/account and be available for future reference online.

Common requirements for both solutions:

Transaction Processing and Settlement. The bidder shall provide for the authorization and settlement of transactions through the appropriate authorization and settlement network.

State what funding types and time frames are available for funding of the card/solution/account. Currently the state sends a file via ACH to fund multiple cards for ESA program. And DOC issues cards via web access and loads funds directly from bank account.

The bidder shall arrange for and support any agreements required to process debit transactions.

The card/solution/account must be supported for all outstanding balances after the contract period.

If the solution involves a prepaid card, the Card shall operate via all major card networks, shall be accepted by any participating merchant, and shall allow for Personal Identification Number (PIN)-based and signature-based purchases. State what processes or solutions are available to assess the risk of fraud or prevent fraudulent activity.

The Contractor shall utilize an Automated Teller Machine (ATM) network as well as Point-of-Sale (POS) locations, and shall allow for nationwide/international ATM access and the withdrawal of cash (DOC inmate card program) through normal ATM transactions. The Contractor shall ensure the operating network is accessible to the Cardholder and the ATM network technology will be currently active and available within the State of Arizona as well as other states. Cash access requirements must also be made available via a bank teller.

Safety and Soundness. All service providers shall identify key measures of the business financial strength, e.g. capital ratios, market capitalization, total assets.

The successful respondent shall provide the State of Arizona with web-based user-to-machine access. Such access shall provide for the following:

Technology

- a. Direct real-time access to banking information.
- b. The ability to segregate access and service availability by user, department, account and application, with access approval being administered and controlled by an authorized Arizona State Treasurer's Office official.
- c. The use of appropriate security and encryption technologies.
- d. The availability of system user support (e.g., telephone help line).
- e. Support of any standard current web-browser software.

The successful bidder shall provide the State of Arizona with machine-to-machine data access methods. Such access methods shall include the following methods:

- a. SFTP (Secure File Transfer Protocol)
 - 1. Must use additional encryption technology
- b. HTTPS (Hypertext Transfer Protocol with SSL)
- c. CD/DVD

All methods must include security technologies sufficient to provide for the confidentiality of the information during transmission and for non-repudiation. Any additional software required to provide this security must be made available to the State of Arizona by the successful bidder.

Transition. The successful bidder shall make reasonable efforts to ensure a smooth transition from the current servicing bank provider. In order to facilitate this transition, the successful bidder shall make such personnel as needed available to complete the conversion plan. All implementation costs associated with current services for transition will be free of cost to the State.

During this process, the State of Arizona and the Firm/Bank will discuss and agree upon the data exchange methods, connectivity, transmission schedules, testing and implementation dates. The successful bidder will establish and manage the transition project plan to ensure minimal disruption of services.