

**Servicing Bank and Merchant Card Processing RFP 16-01 Q&A received 4/18/2016.**

**Highlighted items will be updated as information is available.**

Questions are listed as submitted in no particular order. State's responses are in **GREEN**.

**Questions for the State concerning RFP for Merchant Card Processing:**

1. **Pg 5, 2. Bid Submittals.** The bidder seeks clarification on which sections the State needs us to respond to in our proposal. It is our understanding that you want our responses to Section 3 Evaluation (pgs 5-8), Section 7 Optional Services (pg 17), and Appendix A Bid Form (pgs 44-52).

Please reply to any and all sections that apply to your standard line of business practice or to fulfill any optional services requested by the RFP.

- a. Are those the only sections needed for a complete proposal? Please see above
  - b. If not, do we need to respond to the Statement of Work (pgs 29-37)? Any other sections? Please see above
2. **Pg 16, 6. Designated State Accounts Manager.** Please confirm that the requirement for "local" representation does not apply to a bidder who is only offering merchant card services.

The requirement for local representation applies to any financial institution whose intention it is to act as the state servicing bank per A.R.S. 35-315(A).

3. **Pg 19, 13. Locations.** Please confirm that this requirement does not apply to a bidder who is only offering merchant card services.

Page 19 section 13 titled Locations, only applies to financial institutions whose intention it is to act as the state servicing bank per A.R.S. 35-315(A).

2) Do all Sections of the bid have to have a response or be addressed, or can individual segments/services be bid on individually (can bidders omit various segments/services in their responses)?

Please reply to any and all sections that apply to your standard line of business practice or to fulfill any optional services requested by the RFP.

Would the scope of work for this RFP also include coverage over the Employment Scholarship Accounts (ESA) program? Yes. The correct name of this program is Empowerment Scholarship Account.

1. General - When bidding as a Merchant Card processing vendor, are you anticipating responses to all sections 3.2 through 3.5? Or only those that apply please address

applicable sections to be completed.

Please reply to any and all sections that apply to your standard line of business practice or to fulfill any optional services requested by the RFP.

2. General – Would the state like additional proposed solutions pricing provided separately on the BID Form?

Please provide any additional services information under optional services.

3. General – Can the State please provide yearly transaction volumes by credit card type, debit and echeck including number of transactions? the monthly volumes by card type (VS/MC, Discover, Amex, Diners Club, and PIN Debit).

12 Month Rolling Sales	Total
MC Total Sales	\$38,528,055
MC Total Transactions	407,022
VISA Total Sales	\$164,428,095
VISA Total Transactions	1,983,136
Debit Total Sales	\$236,599
Debit Total Transactions	6,158
Discover Net Sales W/O PT	\$512,694
Discover Net Transactions W/O PT	5,262
Amex Pass Thru Sales	\$5,690,590
Amex Pass Thru Transactions	47,150

4. General – Can the State please provide all current hardware/ software programs being used to process transactions? Are you willing to replace any of these programs?

The state will consider any or all hardware/software that we deem to add value and efficiency and effectiveness to our line of business.

5. General – Are any of the software programs being used integrated with other software systems of installed in kiosks, parking garages/meters, or other ‘self-service’ devices?

Yes

6. General – Does the State accept any online payments?

Yes

7. General- If you do accept online payments what gateway do you use? If you do not accept on line payments today are you interested in accepting payments via the web? Should we include a solution in our response?

The state uses multiple platforms, TSYS & FirstData being the most widely used.

8. 6.1 pg. 16 - Does the State expect to have both a banking and merchant processing contact representative available for the duration of this project? Is the Merchant Processing vendor contact required to be located in Arizona?

A contact is required for all services, can be 1 contact.

9. 11.1 pg. 18 - When bidding as a Merchant card processing firm, are you requiring a disaster recovery plan and pandemic contractual performance plan?

Yes, all entities contracting with the state are required to comply.

10. 13 pg.19 - When bidding as a Merchant card processing vendor does our acquiring bank need to meet the location requirements?

Page 19 section 13 titled Locations, only applies to financial institutions whose intention it is to act as the state servicing bank per A.R.S. 35-315(A).

11. 4 pg. 29 – Please confirm that warrant reconciliation only applies to the awarded servicing bank and not the Merchant Card Processing vendors acquiring bank.

Confirmed

12. Section 11pg. 34 – The RFP states “the bidder shall provide armored car service”, can you please confirm this applies to only the awarded servicing bank.

Confirmed

13. Section 12.3 pg.34 – Can you provide a hardware inventory list identifying what are the makes and models of the terminals currently being used?

- How many of each type do you have?
- Are the current terminals EMV compliant?
- Do any of these devices take ECheck?
- Do all of these devices accept Debit transactions?
- Is the State interested in replacing any of these terminals, if so how many?

- What types of payments are taken at these terminals?
- Do you have any terminals that interface with a gateway virtual terminal or internal software ? If yes, provide make and model and how many you have.
- Are you interested in NFC to support payment methods like ApplePay and Android Pay?

The state leases a majority of the equipment in use. Therefore, the equipment will need to be replaced by the awardee. The state is interested in any and all services that we deem to add value, effectiveness, and efficiency. Please provide any addition services in Optional Service area of the RFP.

14. Section 12.4 pg.34 Does the State currently take payments over the phone, if so please explain how they are processed? **Yes**

15. Section 12.4 Touch Tone Credit Card Payment Systems, Is this a state IVR that is utilized? What payment types are accepted? Will these payments flow to the Servicing Bank for processing or will they flow to the merchant acquiring processor?

**Both are utilized; all card types have the potential to be accepted; transactions will flow through the state servicing bank.**

16. 12.6.1 pg.35 When a transaction needs to be corrected how is performing the correction? How is it done today? **Please see the RFP**

17. 12.9 pg.36 Deposit and Reporting of Credit Card and Debit Card Transactions. What bank do you use for the funding of your merchant processing? Are you willing to consider changing banks? **The state will use the Servicing Bank that is awarded this RFP contract.**

18. 12.9 Page 36 the RFP requires that the last four (4) digits of a State agency identification number and where applicable, the three digit state agency AFIS code shall appear in the on-line daily statements to identify the State agency. How is this done today? **Please see the RFP**

Section 12.12 pg. 36 Can the State please confirm that if settlement is same day, funding within 24-48 hours after settlement is acceptable? **This section is being removed, see RFP #16-01 amendment #1.**

### **MoneyCenter Investments**

"Is the State open to participants submitting Investment Solutions for consideration in this RFP or would they like it to be provided separately?"

Please provide under Optional Services.

**Merchant**

1. Does the State desire to accept any additional transaction types/card brands now or in the future? **The state will consider any and all functions that we deem to add value, efficiency and effectiveness to our line of business.**

a. E-Check (POP, ARC, BOC, Verification, Guarantee, etc.)

b. Other – please identify

2. Is the State PCI compliant?

3. Has the State or members considered Safety of Transactions (Encryption/Tokenization of card data)

Please provide under Optional Services.

4. Has the State or members made the shift to EMV terminals for card-present environments?

**The state is in the process, but has not made a full conversion at this time.**

5. How many current locations within the State accept Credit, Debit, or E-Check? **All information is included in the RFP.**

c. How many Retail locations?

d. How many mail order/telephone order locations?

e. How many Internet locations/websites?

6. Please provide details of any State/member-owned hardware and software that is currently in place for Credit, Debit, or E-Check processing?

**The state leases a majority of the equipment in use. Therefore, the equipment will need to be replaced by the awardee. The state is interested in any and all services that we deem to add value, effectiveness, and efficiency. Please provide any addition services in Optional Service area of the RFP.**

f. Hardware – Terminal manufacturer and model number(s)

g. Software – Manufacturer and version number(s)

7. Does the State intend to continue utilizing the current hardware and/or software in the future or is the State interested in upgrading hardware/software?

See answer to #6 above.

h. If upgrading, what additional functionality would the State like to gain?

The state would like to take advantage of any and all technology and products that would enhance its processes.

8. If hardware terminals are in place today, are most transactions authorized/settled via dial-up or IP-based communication? The majority are Dial up.

9. State-wide what percentage of transactions are processed at Retail (card-swipe); what percentage are processed in a mail-order/telephone-order environment (key-entered); and what percentage are accepted via the Internet (customer key entered)? Mostly Dial Connectivity, some Wireless – (Cellular); Most are EMV Capable

i. If IVR is in place today, please provide mail-order/telephone-order numbers broken out by IVR vs. other key-entry methods such as via the telephone (CSR rep) or via mailed requests.

10. Is the State accepting transactions via IVR today? Refer to RFP.

Refer to RFP. The state would like to take advantage of any and all technology and products that would enhance its processes.

j. If yes, is the IVR owned/hosted by the State or a third-party? Refer to RFP.

k. If a third-party, who is the current vendor? Refer to RFP.

11. If available, please provide a list of payment networks (Vital/TSYS, NOVA/Elavon, FDMS, etc.) to which the State is currently authorizing and/or settling electronic payment transactions.

The majority is processed through TSYS and FirstData, among others.

12. Does the State currently charge, or plan to charge, a convenience or service fee to the cardholder for use of a Debit or Credit card? If yes, please expand upon how and when this fee is currently charged or where and when the State anticipates it will be charged in the future.

Yes, this is left up to the agency.

13. Does the State anticipate that any additional departments, not currently accepting payments today, will desire to implement a merchant services program for payment acceptance in the future? Yes.

14. Visa and MasterCard require all acquires to enter into contracts containing specific provisions with its merchants, provisions which are not included in the form contract and/or which provisions conflict with the terms and conditions of the RFP. Therefore, will the State agree to include the acquirer's standard terms and conditions as a part of the contract?

No. Negotiation will be required for any additional requirements.

### Merchant

1. Is your Merchant Card pricing currently bundled or unbundled (Interchange plus)?

Refer to RFP.

### 12.3 Purchase of Rental of EDC Terminals

1. Does the state current rent/lease equipment or do they purchase? Both, the majority are leased.

### 12.5 Returns Item Processing

1. Please confirm if that some State agencies are using Point of Sale Electronic Checks (paper check conversion) and true ACH processing (no paper check used)? Yes.

2. If Paper Check Conversions, what equipment is being used? Please see RFP.

3. If Paper Check Conversions, are you utilizing a guarantee service or just authorization/conversion. Please see RFP.

4. Can you tell us the specific agencies using these services Please see RFP.

5. Can the state provide current # of return ACH transactions they receive per month and show a sample report? 8,100.

### International Treasury Management

International wires and checks are mentioned in the RFP. Where are they typically originating?

See RFP.

## Prepaid Cards

Good afternoon. Here are the additional questions for the "payroll card" program referenced in Section 6.2

Scope of Work, Page 31, Section 6.2, does the state have a current payroll card program today? If so, how many employees are receiving a payroll card? **Yes, the state has 927 Active.**

Scope of Work, Page 31, Section 6.2, how many employees today are receiving a paper check? **Yes, approximately 300 but volume can vary.**

Page 33, Section 9 lists Prepaid Card as a requirement. Could the state please list the programs/agencies that Prepaid Cards are being used for today? Will all of these programs continue under this contract? **Please see RFP.**

Will there be another opportunity to ask questions during the RFP process? **Yes.**

Page 33, Section 9, is the state awarding one vendor for all Prepaid Card services?

4. Page 33, Section 9, what is the frequency of disbursements for these programs (i.e., on average, does each claimant receive two disbursements or four disbursements per month?)?

**This varies depending on the program.**

5. Page 33, Section 9, what is the average number of disbursements per claim for the prepaid programs (i.e., on average, how many disbursements does a claimant receive over the life of a claim)? **This varies depending on the program.**

6. Page 33, Section 9, for each prepaid program could you provide a monthly breakout for the last 12 months that includes number of loads per month and the dollar amount of loads per month? If that level of detail is not available, please provide the average load amount, the number of loads that took place last month, and the number of distinct individuals who received a load last month.

7. Page 33, Section 9, could the State provide a breakout of cardholder activity for the past 12 months for each prepaid program that includes the information noted below?

**# of ATM withdrawals per month**

**\$ of ATM withdrawals per month**

**# of Teller withdrawals per month**

**\$ of Teller withdrawals per month**

# of POS PIN transactions per month

\$ of POS PIN transactions per month

# of POS SIG transactions per month

\$ of POS SIG transactions per month

# of calls to automated customer service number and live customer service per month

# of live agent customer service calls per month

2015	AZ DES	AZ ESA	AZ DOC	AZ Payroll	AZ ASRS
Average Value loads per month	\$41,550,376	3,129,474.70	\$469,319.13	\$1,321,866.77	\$971,014.99
# of ATM withdrawals per month	100,196	N/A	952	2,198	1,344
\$ of ATM withdrawals per month	\$15,365,356	N/A	\$128,753.35	\$492,917.86	\$281,759.12
# of Teller withdrawals per month	7,752	N/A	70	190	275
\$ of Teller withdrawals per month	\$3,149,124	N/A	\$102,307.63	\$97,441.11	\$247,403.98
# of POS PIN transactions per month	452,854	84	5,298	11,294	4,189
\$ of POS PIN transactions per month	\$9,502,811	\$226,761.70	\$129,696.10	\$346,818.10	\$174,917.33
# of POS SIG transactions per month	473,591	2,483	4,021	12,297	4,443
\$ of POS SIG transactions per month	\$12,401,989	\$2,376,361.76	\$73,765.77	\$365,575.26	\$177,835.83
# of calls to automated customer service number and live customer service per month	6,247,816	N/A	N/A	N/A	N/A
# of live agent customer service calls per month	360,656	N/A	N/A	N/A	N/A

## Treasury Management

1. How many accounts have returned check items? Currently most accounts are depository and ZBA into a main servicing account. Out of the 325 or so that are active at the point, it is estimated that about 13 will have returned warrants and 30 could possibly have returned checks.

2. Under Depository services, can you clarify what Item Processing Deposit represents? See attached description listing. Transactional charge for credits received in Proof or Items Processing (IP). This charge may occur when the batch header for a banking center deposit (OTC or QBD) is separated from the work in the Proof area and a proof batch header is substituted.

3. How many total accounts can originate ACH? Of these accounts, how many originate via direct transmission? Via online upload? What is ACH Input – Echannel

Approximately 3, but this can change anytime. All methods are currently used. However, the State will consider any options that enhance our business practices.

4. What is ACH Output File Posted Items? What data is contained in the ACH Standard

Reports? Please see RFP, and description listing.

5. Are these faxed, mailed, or electronic delivery? All.
6. Can the State of Arizona provide detailed monthly volume estimates for each Lockbox PO Box location including: single match payments, partial payments, multiples, check only payments, rejects, foreign items, correspondence items (with payment and without payment) received? Refer to the RFP.
7. Can the State of Arizona provide an image of the remittance document/invoice (and envelope)? The process is at the agencies discretion.
8. Can the State of Arizona provide written processing instructions for each lockbox? The process is at the agencies discretion.
9. How does the State of Arizona handle exceptions, correspondence & rejects today? Please see the RFP.
10. How does the State of Arizona handle check only items (with and without account numbers/invoice)? Please see the RFP.
11. Does the State of Arizona have any special processing or requirements (such as: end of month, end of year processing)? Please see the RFP.
12. How does the State of Arizona process out of balance multiple payments? Please see the RFP.
13. Will the State of Arizona require long term image (greater than 90 days) retention of processed items? If so, what is the long term requirement? The requirements are not uniform, currently some accounts have 90 day retention and others have 7 years.
14. Can the State of Arizona provide the daily lockbox data transmission file layouts? Please see the RFP.
15. Would the State of Arizona like images of correspondence and or any supporting documents received? Please see the RFP.
16. Can the State of Arizona accommodate Secure FTP? Yes.
17. Does the State of Arizona accept Credit Card payments as a form of payment in the lockbox? Not currently. The state will consider any and all items that are deemed to be in the best interest of the state.
18. Appendix J, the Daily Settlement of Warrants and Returned Checks the Treasurer signs on settlement day which is for the previous work of day and Appendix A lists Collected Overdraft interest charge with a monthly volume of \$0 indicate there is no charge for warrant float. Is this accurate? Yes.
19. Would you supply the State's routing & transit numbers used for warrants? Yes.

**Under Travel** Provide any information under Optional Services.

1. What is the annual volume for this program? The volume for FY15 was approximately \$6.1 million
2. What is annual number of transactions associated with this program? The volume for FY15 was approximately \$6.1 Million.

3. What is the average transaction size for this program? **The average transaction size for FY15 was \$121.53**

3. Does the State have international travel? If yes, can you list the international continents/countries where card services were utilized? **Yes, we have international travel and there are various countries traveled to. This could also change as we don't restrict where the cards can be used.**

4. Are the Program's travel services centrally booked with a local travel agency or do individuals book their own travel? If central booking is done, do you utilize a card for those services, i.e. Central Travel Card? Name of travel Agent/Agency? **It is a combination of the individuals booking their own travel, a central travel desk at the State agency or a travel agency we have on contract. We utilize a Travel agency out of Alabama called AdTrav for some bookings, however, it is not required.**

5. Do you utilize any expense reporting systems along with your card program? Or is expense reporting an internal paper report? **We utilize the automated reporting capability offered through the vendor's website.**

6. What Financial software is utilized by the Program to reconcile their Credit Card transactions/post activity into? **We utilize US Bank's web based Access Online currently. I don't know what software is used for their back end.**

### **General Questions**

1. Would the State please provide Appendix A in Excel format?

2. **Page 5, Section 1.1.** Which method of compensation is the State using with its current banking services provider? If monthly cash payments are being made, please provide a 12-month history of the Earnings Credit Rate the State has received. **Cash payment.**

3. What are the State's Average Collected Balances and Average Ledger Balances for the past 12 months? **Avg. Collected Bal \$93,902,575, Avg. Ledger Bal \$133,509,675**

4. Would the State please provide a recent bank account analysis statement from its current provider for review? **No.**

5. May we have permission to use the State's logo or images of state buildings in our RFP response? **Yes.**

6. What specific objectives or goals does the State have for its Treasury Management functionality during this term of this contract?

Please provide under **Optional Services**.

7. Does the State have a current account structure it could share with respect to products and services, where applicable? Please refer to RFP.

8. What level of ACH exposure does the state utilize currently? Please refer to RFP.

9. Please confirm what the file format listed on pages 99-102 is used for. There does not appear to be any descriptor referencing its use. **ACH Payment File Layout (CTX FORMAT)**

10. Please explain in more detail what is meant by machine to machine data access methods? Refer to RFP.

#### **Optional Services (Page 17, Section 7)**

11. Section 7.1 – Please provide the State’s definition of “Advanced Remittance Lockbox Services”.

Any lockbox technology beyond a basic wholesale deposit lockbox.

12. Would the State please provide samples of its lockbox remittance documents (i.e. coupons, etc.) for each of the lockboxes currently being utilized? The state would like to evaluate any and all lockbox services available.

13. What is the purpose (i.e. agency, type of payment, etc.) for each lockbox currently being used? The state would like to evaluate any and all lockbox services available.

14. What is the difference between WEB lockbox and Image Lockbox? The state would like to evaluate any and all lockbox services available.

15. Please explain the State’s lockbox data capture rules. The state would like to evaluate any and all lockbox services available.

16. Does the State provide a Stop File to its lockbox provider today? If not, would the State be interested in doing so? **The state would like to evaluate any and all lockbox services available.**

17. Is the State able to provide an Account Lookup file to the lockbox site? **The state would like to evaluate any and all lockbox services available.**

18. Please describe the following services from your lockbox:

- a. Special image handling
- b. Manual sort
- c. Balancing
- d. No Check Item

**The state would like to evaluate any and all lockbox services available.**

19. Section 7.2 – Please provide the State’s definition of “Digital person to person payments”.

**Refer to the RFP, provide information under Optional Services. This would encompass digital payments to individuals and companies.**

20. Section 7.3 – Is the State currently utilizing a Purchasing Card program? If so please provide: **Yes, US Bank. Please provide information under Optional Services.**

- a. Who is the vendor providing the service? **US Bank**
- b. Is it an individual liability or corporate liability program? **Corporate Liability.**
- c. How many cards have been issued on the current program? **2,869 currently active.**
- d. Does the State initiate virtual vendor payments as part of this program? **Yes.**
- e. Does the State make the PCard available to any governmental agencies, or only to State agencies? **The State’s program is available to local governments as well, however, we do not manage or track their cards or spending. They may utilize our contract but have to have their own Addendum.**
- f. What is the annual amount of spend on the State’s PCard program? **The volume for FY15 was approximately \$15.5 million.**
- g. Does the State receive revenue share as a part of the PCard program? If so, what percent or dollar amount did the State receive in its last payment? **Yes, the State receives a rebate for our program. Our approximately rebate for FY15 was 1.6%**

21. Section 7.4 - Does the State utilize a different program for Travel Cards? If so, please provide? US Bank, Please provide information under Optional Services.

- a. Who is the vendor providing the Travel Card program? US Bank
- b. Is it an individual liability or corporate liability program? Our travel ghost card accounts are corporate liability, but individual traveler cards are individual liability
- c. How many cards have been issued on the current program? We currently have 1,723 individual cards and 264 ghost accounts
- d. Does the State initiate virtual vendor payments as part of this program? Yes.
- e. Does the State make the Travel Cards available to any governmental agencies, or only to State agencies? The State's program is available to local governments as well, however, we do not manage or track their cards or spending. They may utilize our contract but have to have their own Addendum.
- f. What is the annual amount of spend on the State's Travel Card program? The volume for FY15 was approximately \$6.1 million
- g. Does the State receive revenue share as a part of the Travel Card program? If so, what percent or dollar amount did the State receive in its last payment? Yes, the state receives an annual rebate. Our rebate for FY15 was 1%.

22. Section 7.5 - Please provide details on the current EBT card programs the State offers:

- a. Type of EBT program
- b. Number of cards outstanding
- c. Number of new cards issued monthly/annually
- d. Average deposit/funding amount
- e. Frequency of deposit/load to card
- f. Specific reporting requirements

Please provide all services available under Optional Services.

23. Is the State considering adding EBT cards for any other programs/services?

The state will consider any or all functions that we deem to add value and efficiency and effectiveness to our line of business.

24. Section 7.6 – Please provide the State's definition of E-Check. How/when does the State obtain bank information for e-check payments?

Please refer to RFP.

**Warrant Reconciliation (Page 29, Section 4)**

25. Would the State please provide samples of each Warrant type listed in Exhibit 2?

Please refer to RFP.

26. Is the State required by law/statue to issue Payable Through Drafts (PTDs)? **Warrant.**

27. Will the State of Arizona require the use of its current Routing Transit Number (RTN), or would an alternate solution that provides best practices be considered?

The state will consider any and all items that are deemed to be in the best interest of the state.

28. Would the State be willing to release the ownership of its current RTN to the financial institution it selects for its banking services?

The state will consider any and all items that are deemed to be in the best interest of the state.

29. Would the State be open to sending the financial institution a Positive Pay issue file for the Warrant accounts? **No.**

30. Will the State fund its Warrant accounts on an intraday basis by the end of each business day?

The state will consider any and all items that are deemed to be in the best interest of the state.

31. How many other disbursement accounts (i.e. non-Warrant accounts) does the State have? Are any these accounts using Positive Pay or Reverse Positive Pay?

All warrant accounts operate on reverse positive pay. Some disbursement accounts operate on positive pay, Approximately 5.

32. Does the State utilize both high speed and low speed warrants? **Refer to the RFP.**

33. Would the State provide the layout and sample file currently used for Positive Pay / Paid Check files? Are these the same layouts used for both high speed and low speed warrants, if applicable? **Refer to the RFP.**

#### **Prepaid Cards (Page 33, Section 9)**

34. What type(s) of prepaid card program(s) does the State have in place currently and for what purposes (i.e. Payroll, etc.)?

AZ DES

Currently Active – 320,890

Card Issued (recent month)– 29,584

AZ ESA

Currently Active – 2,076  
 Card Issued (recent month)– 3

State of AZ  
 Currently Active – 1,294  
 Card Issued (recent month) – 38

DOC  
 Currently Active – 13,361  
 Card Issued (recent month) – 817

ASRS  
 Currently Active – 2,015  
 Card Issued (recent month)- 322

**35. For each Prepaid Card program currently in place, please provide the following:**

- a. **Number of cards outstanding** See above listed.
- b. **Average deposit/funding amount** N/A
- c. **Frequency of deposit/load to card** Varies from weekly to quarterly.
- d. **Copy of cardholder fee schedule** see available below.

DES fee schedule

<b>Schedule of Bank Fees</b>	
Bank Fees for Arizona DES Electronic Payment Card transactions will be charged to your Account on a daily basis as they occur.	
<b>SERVICES WITH NO FEES</b>	
<b>Purchase Transactions</b>	<b>Fee</b>
<b>Purchase at Merchants (signed, using PIN, online phone, or mail purchases)</b>	No Fee
<b>ATM Transactions*</b>	<b>Fee</b>
<b>Bank of America or Allpoint ATM Withdrawal (in the U.S.)</b>	No Fee
<b>ATM Balance Inquiries (all ATMs)</b>	No Fee
<b>Other Services</b>	<b>Fee</b>
<b>Teller Cash Access</b> (Available at financial institutions that accept Visa cards) (Limited to available balance only)	No Fee
<b>Online Funds Transfer</b>	No Fee
<b>Online, Automated, Live or International Customer Service Inquiry</b>	No Fee
<b>Inactive Account</b>	No Fee

**SERVICES WITH FEES**

<b>ATM Transactions*</b>	<b>Fee</b>
<b>Non-Bank of America or Non-Allpoint ATM Withdrawal (in the U.S.)</b>	No fee for first withdrawal each week, \$1.00 thereafter
<b>ATM Withdrawal International (all ATMs outside the U.S.)</b>	\$3.00 per transaction
<b>Other Services</b>	<b>Fee</b>
<b>Emergency Cash Transfer (in the U.S.)**</b>	\$15.00 per transaction
<b>Card Replacement Domestic</b>	No Fee for first replacement each year, \$3.00 thereafter
<b>Card Replacement - Express Delivery</b> (additional charge)	\$13.00 per request
<b>Card Replacement International (outside the U.S.)</b>	Quote provided at time of request as price varies by country
<b>International Transaction Fee</b>	3% of U.S. Dollar amount of transaction

State of Arizona Cashpay (payroll) card fee schedule.



# Schedule of Fees

Revised September 1, 2014

Purchases at Merchants	
Signature-based Purchase at Visa Merchants**	No Fee
Pinned POS Purchase at Merchant (Including cash back transactions)	No Fee
ATM Fees*	
ATM Withdrawal Domestic	No Fee at Bank of America ATMs \$1.50 for all others
ATM Withdrawal International	\$3.50
ATM Balance Inquiries	No Fee
ATM Transaction Decline	No Fee
Visa Bank Teller Access	
Cash Access (limited to available balance only) (via Visa bank locations)	No Fee
Other Service Fees	
Monthly Maintenance	No Fee
Online Funds Transfer	No Fee
Emergency Cash Transfer for Remaining Account Balance (under \$20.00)	1 free per year
Emergency Cash Transfer Domestic	\$15.00
International Transaction	2% of U.S. Dollar amount of transaction
Automated Customer Service Inquiry	No Fee
Live Customer Service Inquiry	No Fee
Card Replacement Domestic	1 waived each year, \$2.50 thereafter
Card Replacement – Express Delivery (additional charge)	\$15.00
Card Replacement International	\$15.00
Negative Balance	No Fee
PIN Changes	No Fee
Duplicate Statement	No Fee
Check Issuance	No Fee
Legal Process	\$100.00 (or such other amount as may be set by law)

Fees for CashPay transactions will be charged to your account daily.

\* ATM owners may impose an additional "convenience fee" or "surcharge fee" for certain ATM transactions (a sign should be posted at the ATM to indicate additional fees); however, you will not be charged any additional convenience or surcharge fees at a Bank of America ATM. A Bank of America ATM means an ATM that prominently displays the Bank of America name and logo. Balance inquiries may not be available at all ATMs outside the U.S.

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36. Is the State considering the use of Prepaid Cards for any other programs/services? **The state will consider any or all functions that we deem to add value and efficiency and effectiveness to our line of business.**

**Electronic Funds Transfers (Page 33, Section 10)**

37. Section 10.1 references interest being earned at the current Local Government Investment Pool rate. Which pool are you referencing and what is the current rate being received? **The Local Government Investment Pool is an internally managed pool of invested monies from local governments. The current rate is .38%.**

**Armored Car Service (Page 34, Section 11)**

38. Which armorer courier(s) is the State currently using for cash vault services? Is that contract managed by the State or the financial institution? **Loomis & Guarda, contract is held and managed by the Servicing Bank.**
39. Is there anything about your current armored courier process that is not working well or that you would want to change? **The state will consider any or all functions that we deem to add value and efficiency and effectiveness to our line of business.**
40. When are you receiving credit for armored courier deposits (i.e. the same day the courier picks up from the agency or next business day)? **Same day.**
41. Please provide by location the frequency and average amounts for the following:
- Cash deposited
  - Coin deposited
  - Change ordered
  - Checks deposited

**Please refer to the RFP.**

42. It appears as though some cash activity is being handled by banking centers and some are being handled by the cash vault? Is this the State's preference, or is it the preferred process of the courier? **Agencies determine their own best process.**
43. When would a State agency use a local branch for deposits versus the cash vault? **Agencies determine their own best process.**

**Merchant and Debit Card Processing Services (Page 34, Section 12)**

44. Please provide the card processing information by card type.
45. Please list current terminals, software, and payment gateways that the State is using. **Various, TSYS and FirstData being the most widely used.**

46. What percentage of the processing is card present (swiped) vs. phone vs. online?
47. Do you print your statements/invoices in house? [Each agency accesses/prints their statement via online access.](#)
48. What bill presentment/bill payment program do you have in place today? [The state is billed monthly.](#)
49. Will the State consider sharing its current card processing statements? [No.](#)
50. What is the name of your current touchtone processing system? Is it in-house or is it with a 3<sup>rd</sup> party vendor? [Please refer to the RFP.](#)
51. What is the State's current PCI Level? [Please refer to the RFP.](#)
52. Is the State's compliance level based on the total relationship or by merchant ID?  
[Please refer to the RFP.](#)
53. Is the State PCI Compliant? [Please refer to the RFP.](#)
54. Has the State suffered a breach in the last 24 months? [Please refer to the RFP.](#)
55. Section C.4. of the Uniform Instructions to Bidders (page 11) indicates "The Bidder's preprinted or standard terms will not be considered by the State as a part of any resulting Contract." We have created a document with standard merchant language in our Government Merchant Program Guide. Would the State allow this document be considered/added to a larger negotiated contract? We do understand that you have your own contract and requirements and we are hoping to augment in a mutually agreeable way. [No.](#)
56. Please provide a copy of the State's current merchant contract with its current provider? [No.](#)

**Appendix A – Consolidated Bid Form**

57. What does 'Dep Conditioning – Surchg – Vault' represent? [See description list.](#)
58. What is the difference between Std and Non-std Cash Vault? [See description list.](#)

59. How many State locations accept checks that are deposited via remote deposit scanners? How many scanners are currently in use? Please provide make/model of equipment being used to capture check images. **The state has 65 accounts setup for Remote Deposit, 52 scanners are currently active.**
60. What is the charge 'Returns-Special Delivery Fee' referring to? Is this fee charged per return or per delivery? **See description list.**

Thank you for your time yesterday. I have the following questions in regard to the RFP #16-01.

1. Who do you currently process with for merchant services? **Bank of America Merchant Services**
2. Current we obtain a current statements? **No.**
3. Are you EMV capable? If you have started, how many terminals have been purchased? **The state is in the process of transition. The majority of equipment is leased.**
4. How are you processing today  
What type of terminals? **Various – FD100, FD130, FD400GT, FD410, FD35 Pin pads.**  
How many terminals? **Approx. 730.**  
What are the type(s) of terminals? **Mostly Dial connectivity, some Wireless – (cellular); most are EMV capable.**  
Are they IP or dial up? **Dial up.**  
What software(s) packages do you use currently? **Software & Gateways.**
5. Do you accept Pin Debit? **Yes.**
6. Can you breakdown the percentage of debit card vs credit card? **Debit Cards less than 1% currently, all volumes can change at any time.**
7. Who are the Value Added Resellers (VARs)/software vendors current use to process? **Refer to RFP.**
8. Do you have an internal reporting system? **Refer to RFP.**
9. Do you get paper statements? **Refer to RFP.**
10. How many Merchant ID numbers do you current utilize? **Approx. 225.**

On page 17 of the RFP there is comment that "the bank's staff shall provide":

- Collection assistance with letters of credit drawn on the U.S. Treasury.

Would you help us understand the scenario for this question and what the servicing bank's role would be?

**Collection assistance with letters of credit drawn on the U.S. Treasury.**

## **QUESTIONS FOR The State of AZ. RFP# 16-01 (Merchant Services)**

1. How many merchant ID's will the state require? **Currently 225.**
2. Are you currently charging convenience fees? **Yes, this is left up to the agency.**
3. What payment gateways are you currently using? **Please refer to the RFP.**
4. What ERP system are you using? **CGI**
5. How many stand-alone terminals are you going to need? **Unknown.**
6. What is the percentage of online payments vs. card present payments? **Approx. 85% card present, 15% card not present.**
7. Are you currently processing online? **Yes.**
8. Will you have the need for recurring transactions? **The state will review any and all available services to meet the need for effective and efficient processing.**
9. Will the state have a need for a mobile solution? **The state will review any and all available services to meet the need for effective and efficient processing.**

### **General Questions**

1. Thank you for the data transmission file specifications. Would the State please send us actual sample data files? That way we can run them through our systems to determine compatibility/feasibility. **No.**

### **Page 17, Optional Services**

1. **"Advanced"** Remittance Lockbox Services: Please elaborate on what is meant by "Advanced"? **Please provide any and all services under Optional Services that best fit the description of services listed. The State will take into consideration any services that it finds value in.**
2. Digital person to person payments: are you referring to consumer to consumer payments? If not, please elaborate. **Please provide any and all services under Optional Services that best fit the description of services listed. The State will take into consideration any services that it finds value in.**
3. EBT (Electronic Benefit Transfer): Please elaborate on what the State is interested. **Please provide any and all services under Optional Services that best fit the description of services listed. The State will take into consideration any services that it finds value in.**
4. E-Check: Please elaborate as to how the State envisions use of E-Checks. **Please provide any and all services under Optional Services that best fit the description of services listed. The State will take into consideration any services that it finds value in.**

### **Page 17, Third Party Arrangements**

1. Our bank uses third parties to provide some services, such as lockbox, ACH, and inbound/outbound file transmission communication. However, all client contact and client servicing is provided directly by the bank. Will this cause our proposal to be rejected? [Please refer to the RFP.](#)

#### **Page 30, 4.4 Warrant Processing**

2. Does the State require physical return of cancelled warrants? [No.](#)
3. Or, will image capture of warrants suffice? [Yes.](#)
4. Do warrants need to be sorted first by warrant type? Then by warrant #? [Yes.](#)
5. If rejected warrants cannot be merged into non-rejected warrants, will this cause our proposal to be rejected? [Please refer to the RFP.](#)
6. Regarding: “e. Mutilated items must be taped and placed in separate envelopes.” If we image warrants, but cannot provide this processing, will this cause our proposal to be rejected? [Please refer to the RFP.](#)

#### **Page 44, Appendix A – Servicing Bank Consolidated Bid Form**

##### **Under Depository Services, what does: [See included description list.](#)**

1. “QBD” mean?
2. Gen Disb Cks Pd – “IS Front IMG” mean?
3. “Direct” Stop Pay Inquiry mean?
4. Returns – “ERIN” mean?
5. Returns – “ERIN+” mean?
6. Returns – “ERIN+keystrokes” mean?
7. Returns – “Buyback” mean?
8. Returns – “Special Delivery” mean?
9. IRD Deposited Items – “RDSO” mean?

##### **Under Lockbox Services:**

1. Is depositing all checks directed to the State of AZ lockbox acceptable? [Refer to RFP](#)

**Under Commercial Deposits – Cash Vault:** See description list included.

2. What does Currency/Coin Depo/\$100-“QBD-ND” mean?
3. What does Fax Notification – “DCN” – VLT mean?

**Under Account Reconciliation:**

1. How many accounts need Positive Pay? Please refer to RFP.
2. How many accounts need Positive Payee as an additional enhancement? Unknown, as this can vary at any time.
3. How many accounts need Full Reconciliation? Please refer to RFP.
4. How many accounts need Partial Reconciliation (i.e. checks paid reporting only)? Please refer to RFP.
5. Does the State need physical checks sorted and then returned to the State? Or, will providing online/electronic images of checks which is sortable suffice?
6. “ARP Recon Transmission”:
  - a. Are these transmissions from the bank to the State?
  - b. Checks Paid Only?
  - c. Checks Outstanding Only?
  - d. Both Checks Paid and Outstanding?

**Under Information Services, what does:** Please see the description list.

1. “CPO” Subscription Online mean?
2. “GCS” Transaction History mean?
3. Direct Previous Day “Max” item mean?
4. Mainframe Trans – “CDR” Item mean?
5. Mainframe Tran – “PDR” Item mean?
6. Direct “IDX” mean?

**Under EDI Services, what does:** Please see the description list.

1. “RPO” mean?
2. “RPO MAM” File Support mean?

3. “RPO Notification – Postcard” mean?
4. “ECM –“ ACH Maintenance mean?
5. “PCG” mean?
6. “PCG V+bills” enrolled mean?
7. “PCG V+tps” Monthly Maintenance mean?

**Under International:**

1. Please list the foreign countries wire transfers are sent. [See RFP.](#)
2. Please list the foreign countries wire transfers are received. [See RFP.](#)

**Under CashPay Services:**

1. Please describe this service.

**Page 33, Prepaid Card:**

What is the estimated dollar amount and monthly item volume of the Pre-Paid Cards?

1. Special Instructions to Bidders #1.1 5 Please provide a sample Account Analysis statement(s) of an indicative average month which details the volume and products of the services currently utilized, as well as a Glossary of Service Terms associated with those products, including AFP codes, from the existing provider. If there are multiple Account Analysis statements, please provide an existing indicative month for each statement for those volumes and services that are to be included under this RFP. [Please refer to RFP.](#)

2. Special Instructions to Bidders #3 5-8 Please describe the States existing wish list for change and your primary RFP goals. Are there any services presently being utilized that will be retired at the end of the existing contract period? [Please refer to RFP. The state will consider any and all functions that we deem to add value, efficiency and effectiveness to our line of business. You may provide additional services under Optional Services.](#)

3. Special Instructions to Bidders #3.3.7 and Uniform Instructions to Bidders #C.4 7 and 10 #3.3.7 a. states, “Provide a copy of all agreements that will be required to initiate services.”

and

#4. Exceptions to Terms and Conditions states, "...The Bidder's preprinted or standard terms will not be considered by the State as a part of any resulting Contract."

Certain documentation is required by all financial institutions for all account opening and controls. Other bank-required documentation may outline the service terms that are specific to a banking product, not to the contract as a whole. Please confirm the State's willingness to evaluate the standard banking account and service documents that the bidder provides in response to Special Instructions #3.3.7.a, and that such executed documents would become Attachments to the contract.

As stated in the RFP provide all agreements that will be required for services.

4. Special Instructions to Bidders All Does the State expect a bidder to provide separate responses for the Special Instructions, #3.2 through #3.5 for the banking services and the merchant processing services, or should the merchant processing proposal be included in the response to the Scope of Work, Section #12? Please reply to any and all sections that apply to your standard line of business practice or to fulfill any optional services requested by the RFP.

5. Special Terms and Conditions #7.1 Advanced Remittance Lockbox Services  
17 • What application (e.g., Parks and Rec, business tax, etc.) are represented by each of the lockboxes)? Any areas that the state deems appropriate to be effective and efficient.

- Do you have samples of the statements/OCR coupons/stubs you can share?

Please refer to the RFP.

- Provide the lockbox data transmission file format you are using to post payments?

Please refer to the RFP.

- Please provide the bank processing instructions for each of the lockboxes.

Please refer to the RFP.

6. Special Terms and Conditions #7.2 17 Please clarify your expectations of “Digital person to person payments,” giving examples of how these services would be used, including the originator, purpose, recipient, and estimated volumes, if available.

Please include in Optional Services. This may be used to make one time payments to individuals or companies.

7. Special Terms and Conditions #9.1 17 According to #9.1, Third Party Arrangements, Armored Car providers are acceptable third party arrangements. Please confirm that the State is able to enter into a contractual arrangement directly with a third party armored car vendor. Please refer to the RFP.

8. Scope of Work #2.2 29 With respect to the dedicated bank account services, please describe what is meant by a “revolving” account. Does it pertain to any special servicing other than regular bank account activity (such as payments and deposits)? No.

9. Scope of Work #2.3 29 Is the State able to send data file transmissions of issued warrants to its servicing provider for positive pay services? The state currently operates on reverse positive pay on all warrants.

10. Scope of Work #4.1 29 Will the State be funding its Warrant disbursement account on a same day basis using a ZBA mechanism or other direct funding process? Or, will funding be delayed such that a negative balance condition will exist on the Warrant account at the close of each business day? Please refer to the RFP.

11. Scope of Work #4.1 29 Does each warrant type have its own account number posting to your current provider’s demand deposit account system? Or, is the routing and transit number (RTN/ABA) used as the warrant account number and the two digit warrant number used as a unique identifier? Each warrant type has its own account.

12. Scope of Work #4.1 29 Does each department receive its own DDA bank statement(s) based on the two digit account number? All departments deemed appropriate to receive DDA bank statements should have the ability to retrieve their own statement electronically.

13. Scope of Work #4.1 29 What level of balances will be associated with the transaction services covered under this RFP? Please refer to the RFP.

- Average annual balance?
- Lowest balance level?
- Highest balance level?

What is the average monthly aggregate dollar value of the disbursement activity associated with this RFP (i.e., total monthly value of all debits posted)? [Please refer to the RFP.](#)

14. Scope of Work #4.2 29 To clarify, what information is the State receiving on Appendix G – Bank Paid Warrant Record Layout (e.g., account balance summary and/or detail listing for each warrant)? [Please refer to the RFP.](#)

15. Scope of Work #4.3 29-30 The State is receiving a daily previous day warrant report (Appendix B – Two Part Daily Warrant Printout) from your current bank provider. Is the State receiving this report via the current bank’s online cash reporting website or via a data direct transmission? If this must be via a direct transmission, where is the pricing line item indicated on Appendix A? [Please refer to the RFP.](#)

16. Scope of Work #6.2 and #9 31 and 33 We respectfully request that Prepaid Debit Cards be considered an Optional Service so long as a bidder is able to provide alternative methods for disbursements to individuals who choose not to or are unable to receive checks. Prepaid Debit Cards are one method, among many, for electronic disbursements. [Please refer to the RFP.](#)

How many prepaid debit cards have been issued for Payroll? [Approximately 900.](#)

17. Scope of Work #8.1 32 Please clarify the following: “The servicing bank is responsible for converting the transmitted data into proper format and processing the transactions through the ACH network.”

Is the State sending NACHA formatted file formats and/or EDI X12 820 File formats to its current bank provider for ACH payments? [Yes.](#)

18. Scope of Work #12.3 34 Please provide a list of all standalone terminals, PIN pads, gateways, point of sale systems, etc. that are utilized and in what quantity by department. Does the State own the equipment? [Various – FD100; FD130; FD400GT; FD410; FD35 Pin Pads. 730 terminals total.](#)

19. Scope of Work #12.4 34 Is the State looking for an IVR system? If so, please elaborate on your requirements.

20. Scope of Work #12.5 34 Are ACH transactions processed by the bank via the back office, online, or face to face by the merchant processor? Please expand on ACH payments, including the volume and amount of transactions, how they are accepted, etc.

21. Scope of Work #12.1236 Please explain the third party contracts reimbursement agreements. [Please refer to RFP.](#)

22. Scope of Work #13.3 37 Please describe the State’s existing ERP system by Agency, and what version of the ERP platform is utilized. Do the various Agencies utilize their own IT resources or are they centralized? [The State’s central financial system \(AFIS\) is CGI Advantage software.](#)

23. Exhibit 1 – State Facility Locations 39 Other than the State Capitol in Phoenix and the DOA building in Tucson, please provide street addresses for those locations that are likely to require support by local branches for small deposits or other unusual services that cannot be supported by remote deposit technology or vault services. [Please refer to the RFP.](#)

24. Appendix A 44 Please describe the service being performed for the following line items: [See description listing.](#)

- Returns – ERIN
- Returns ERIN+
- Returns ERIN Keystrokes

25. Appendix A 45 What agencies deposit checks via image cash letter? [Refer to RFP.](#)

How many image cash letter x9 files are transmitted each day and at what times? [Refer to RFP.](#)

What is the volume of non-conforming images (NCI) that require paper deposit? [Refer to RFP.](#)

26. Appendix A 46-47 Please explain the two “ACH Optional Reports” versus the three “Standard ACH Reports.” [Refer to RFP.](#)

27. Appendix A 47 Please clarify “ACH Output File Posted Items” volume of 277,124. What does this volume represent? [Refer to RFP.](#)

28. Appendix A 47 Please clarify “ACH Originated Addenda” volume of 90,092. Is this the volume of transactions sent as NACHA CTX, CCD+, or EDI 820? If via EDI 820, where is this volume represented in EDI Services on page 40? [Refer to RFP.](#)

29. Appendix A 48 For “Deposit Recon Maintenance” and “Deposit Recon Per Item,” is the State receiving monthly ARP Recon reports and data file? Does the State use one or more accounts with ULIDs (Unique Location Identifiers) for its depository? [Refer to RFP.](#)

30. Appendix A 49/50 For “Bulk Image Trans Per Item” of 81,679, does this represent the warrant volume? If so, please clarify why there is a discrepancy with “PTD Per Item” volume of 117,848? [Refer to RFP.](#)

31. Appendix A 50 How many remote deposit scanners are currently in use? What are the agencies using remote deposit services? [Refer to RFP.](#)

Where in our response should we include information on our remote deposit services?

[In the bid sheet. You can also list services under optional services.](#)

Please also provide a breakdown of the check deposit volume and dollar amount by State office location using remote deposit. [Refer to RFP.](#)

32. Appendix A, Merchant Card Processing Consolidated Bid Form 51 On the merchant processing bid form, what are you looking for with “On-Line Debit Card – Regional Interchange” and “On-Line Debit Card – National Interchange?” Are you looking for every Interchange Rate to be listed? [Yes.](#)

33. Appendix A, Merchant Card Processing Consolidated Bid Form 51 On the merchant processing bid form under “Merchant Card Software,” what type of merchant card software do you require? Is there existing software currently in place that will remain? Or is the State looking to purchase new software? [The state will consider any or all hardware/software that we deem to add value and efficiency and effectiveness to our line of business.](#)

34. Appendix A, Worksheet for Credit Card Discount Rate 52 Can additional rows be inserted into the worksheet for credit card discount rate to accommodate our billing structure in full detail? [Yes, however each line needs to be answered in its totality and other lines will be information only.](#)

35. Appendix A, Worksheet for Credit Card Discount Rate 52 On the worksheet for credit card discount rate, is the State asking to list all Interchange Rates under Information Interchange? Is the State looking for the responder to include a complete Interchange Chart? [Yes.](#)

36. Appendix A, Work sheet for Credit Card Discount Rate 52 On the Worksheet for Credit Card Discount Rate, what is the difference between “Unbundled Price,” “Bundled Price,” and “Modified Bundled Price?” [Refer to RFP.](#)

37. Appendix A, Worksheet for Credit Card Discount Rate 52 What is meant by “Bank Contract-Credit Card Settlement Service-Automated Transmission?”

38. Appendix A, Worksheet for Credit Card Discount Rate 52 What is meant by “Settlement Institution Fee?”
39. Appendix A, Worksheet for Credit Card Discount Rate 52 Does the State process any recurring credit/debit card payments? Refer to RFP.
40. Appendix A – Merchant Card Processing Activity 53 What is the breakdown by location for face to face, phone and online transactions? Approx. 85% card present, 15% Card not present.
41. Appendix A – Merchant Card Processing Activity 53 Please breakdown the monthly volumes by card type (VS/MC, Discover, Amex, Diners Club, and PIN Debit).

12 Month Rolling Sales	Total
MC Total Sales	\$38,528,055
MC Total Transactions	407,022
VISA Total Sales	\$164,428,095
VISA Total Transactions	1,983,136
Debit Total Sales	\$236,599
Debit Total Transactions	6,158
Discover Net Sales W/O PT	\$512,694
Discover Net Transactions W/O PT	5,262
Amex Pass Thru Sales	\$5,690,590
Amex Pass Thru Transactions	47,150

42. Appendix A – Merchant Card Processing Activity 53 Based in the list of locations, does the State require 200 merchant numbers? Currently there are approx. 225 Merchant ID numbers assigned to state agencies.
43. General n/a When does the State expect to issue its 2015 CAFR?

Who are the evaluation committee members? State agency employees from various state agencies.

Is the state looking to have a consolidated banking relationship or look to multiple providers? Refer to RFP.

Are there specific areas of focus for better services? [Refer to Optional Services.](#)

Are Warrants paid day received or next day? Currently paid day after presented for pay. Physical checks delivered back to the treasurer (is it required that the physical check(s) be presented to the state) before the bank is paid?

Section 12.5 returned item processing, is the state currently processing electronic checks or ACH online? [Both](#)

Authorization for electronic checks, or is it a banking product/converting it in making remote deposits?

How are we priced today, Unbundled/Bundled pricing for merchant services? [Refer to RFP. The state will consider any or all functions that we deem to add value and efficiency and effectiveness to our line of business.](#)

Foreign checks and international wires, what countries are those currencies covering? Global or more concentrated for checks? [Various, can change anytime.](#)

Lockbox is part of bid, which agencies are using lockbox? [Many agencies, each will have its own unique requirements for lockbox processing.](#)

Which payment types are being accepted through lock box, checks and or credit cards?

Pg 33, sec 9, prepaid cards – programs or agencies using prepaid cards? [Refer to RFP.](#)

Will state award all prepaid cards to 1 vendor?

Prepaid services – agencies may add prepaid card services as a starting point, which agencies are currently using prepaid cards? Volumes? Which agencies? Which programs?

ERP migration, are all agencies on the same platform? [Yes.](#)

Optional services section – advanced lockbox services and digital person to person services, please expand on these services. [Please provide any and all information to be considered under the Optional Services.](#)

Warrants – state owns its own routing # and transit #, is that a requirement going forward?

The state will consider all services that it deems to be effective and efficient.

Does the State run its own payroll system or use a 3<sup>rd</sup> party vendor? The state has its own payroll system.

The Arizona ESA account, will that be covered under the RFP process? Yes

Are all POS locations EMV ready/compliant currently? The state is transitioning.

**Below are additional questions after 4/18/2016.**

1. You request a CD ROM version of the response along with the original and copies. Would it be acceptable to replace the CD ROM with a Thumb Drive? Yes.
2. Services listed under OPTIONAL SERVICES (page 17; 7)
  - 7.2 Digital person to person payments - could you explain what these are? Refer to the RFP, provide information under Optional Services. This would encompass digital payments to individuals and companies.

7.6 E-Check - further clarification, if this on the merchant platform or transforming a check to an electronic transaction at a cashier or back office? Please provide any and all services under Optional Services that best fit the description of services listed. The State will take into consideration any services that it finds value in.

**General**

1. Would the State entertain an extension of the RFP due date to allow time for the respondents to provide a thorough response that reflects how and where we can add value and provide the efficiencies the State and its agencies are requesting? No.

**Merchant Services**

2. Which departments assess a Service Fee/Convenience fee for credit card transactions?
  - What is the current Fee amount assessed? This is left up to the agency.
  - What % of the card processing volume is using the Fee model? Unknown.
3. Please provide the specific name of gateways, kiosks and software that the State uses? Include version number. Various, TSYS and FirstData being the most widely used.
3. Merchant Card Contract negotiation- Is it the State's intention to have the merchant card provider sign the standard State of Arizona contract? There are Card Brand Operating rules that all merchant acquirer's must adhere to and they are part of our merchant services contract. Is the State open to negotiating a merchant services contract? Negotiation will be required for any additional requirements.

4. Does the State utilize check warranty/guaranty services such as TeleCheck or Certegy? **The state is interested in any and all services that we deem to add value, effectiveness, and efficiency. Please provide any addition services in Optional Service area of the RFP.**

**Courier Service**

5. Please provide the service windows (i.e. earliest/latest pickup times) for each of the state locations needing courier service. **The state does not require courier service.**

**ACH**

6. From the perspective of managing credit exposure, we need to understand the State's ACH requirements and the size of the ACH folders. Please provide the cumulative total of your current ACH files for Payroll, Vendors, etc. **Currently the threshold is \$999,000,000.**

Are you considering pricing structure where the processing cost is passed along to the cardholder via a transaction service fee? Or should we only quote "normal" processing solution whereby State absorbs the processing costs? **The state currently uses both.**