



**State of West Virginia
Request For Proposal
Service - Prof**

Procurement Folder : 658117

Document Description : Merchant Processing Services

Procurement Type : Agency Master Agreement

Date Issued	Solicitation Closes	Solicitation No			Version	Phase
2019-11-21	2020-01-23 11:30:00	ARFP	1300	STO2000000001	1	Final

SUBMIT RESPONSES TO:	VENDOR
WEST VIRGINIA STATE TREASURERS OFFICE 322 70TH ST SE CHARLESTON WV 25304 US	Vendor Name, Address and Telephone

FOR INFORMATION CONTACT THE BUYER
 Shelly Murray
 (304) 341-7089
 shelly.murray@wvsto.com

Signature X **FEIN #** **DATE**

All offers subject to all terms and conditions contained in this solicitation

ADDITIONAL INFORMATION:

The West Virginia State Treasurer's Office, Cash Management Division is soliciting proposals for merchant payment processing services per the attached specifications.

This is a Re-Solicitation of ARFP STO1900000004.

*** Online submission for this solicitation is prohibited. ***

SCHEDULE OF EVENTS

<u>Line</u>	<u>Event</u>	<u>Event Date</u>
1	Question Submission Deadline at 10:00AM EST	2019-12-12
2	Questions Submission Deadline @ 10:00AM EST	2019-12-12

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ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions

INSTRUCTIONS TO VENDORS SUBMITTING BIDS

West Virginia State Treasurer's Office

1. **REVIEW DOCUMENTS THOROUGHLY:** The attached documents contain a solicitation for bids. Please read these instructions and all documents attached in their entirety. These instructions provide critical information about requirements that if overlooked could lead to disqualification of a Vendor's bid. All bids must be submitted in accordance with the provisions contained in these instructions and the Solicitation. Failure to do so may result in disqualification of Vendor's bid.
2. **MANDATORY TERMS:** The Solicitation may contain mandatory provisions identified by the use of the words "must," "will," and "shall." Failure to comply with a mandatory term in the Solicitation will result in bid disqualification.
3. **PREBID MEETING:** The item identified below shall apply to this Solicitation.

A pre-bid meeting will not be held prior to bid opening.

A **NON-MANDATORY PRE-BID** meeting will be held at the following place and time:

A **MANDATORY PRE-BID** meeting will be held at the following place and time:

All Vendors submitting a bid must attend the mandatory pre-bid meeting. Failure to attend the mandatory pre-bid meeting shall result in disqualification of the Vendor's bid. No one person attending the pre-bid meeting may represent more than one Vendor.

An attendance sheet provided at the pre-bid meeting shall serve as the official document verifying attendance. The State will not accept any other form of proof or documentation to verify attendance. Any person attending the pre-bid meeting on behalf of a Vendor must list on the attendance sheet his or her name and the name of the Vendor he or she is representing.

Additionally, the person attending the pre-bid meeting should include the Vendor's E-Mail address, phone number, and Fax number on the attendance sheet. It is the Vendor's responsibility to locate the attendance sheet and provide the required information. Failure to complete the attendance sheet as required may result in disqualification of Vendor's bid.

All Vendors should arrive prior to the starting time for the pre-bid. Vendors who arrive after the starting time but prior to the end of the pre-bid will be permitted to sign in, but are charged with knowing all matters discussed at the pre-bid.

Questions submitted at least five business days prior to a scheduled pre-bid will be discussed at the pre-bid meeting if possible. Any discussions or answers to questions at the pre-bid meeting are preliminary in nature and are non-binding. Official and binding answers to questions will be published in a written addendum to the Solicitation prior to bid opening.

- 4. VENDOR QUESTION DEADLINE:** Vendors may submit questions relating to this Solicitation to the STO Purchasing Division. Questions must be submitted in writing. All questions must be submitted on or before the date listed below and to the address listed below in order to be considered. A written response will be published in a Solicitation addendum if a response is possible and appropriate. Non-written discussions, conversations, or questions and answers regarding this Solicitation are preliminary in nature and are nonbinding.

Submitted emails should have the solicitation number in the subject line.

Question Submission Deadline: _____ by _____

Submit Questions to: _____

Physical Address: 322 70th Street S.E., Charleston, WV 25304

Fax: (304) 340-1518

Email: purchasing@wvsto.com

- 5. VERBAL COMMUNICATION:** Any verbal communication between the Vendor and any State personnel is not binding, including verbal communication at the mandatory pre-bid conference. Only information issued in writing and added to the Solicitation by an official written addendum by the State Treasurer's Office (STO) Purchasing Division is binding.
- 6. BID SUBMISSION:** All bids must be submitted electronically through wvOASIS, or, signed and delivered by the Vendor to the STO Purchasing Division at the address listed below on or before the date and time of the bid opening. Any bid received by the STO Purchasing Division staff is considered to be in the possession of the STO Purchasing Division and will not be returned for any reason. The STO Purchasing Division will not accept bids, modification of bids, or addendum acknowledgment forms via e-mail. Acceptable delivery methods include electronic submission via wvOASIS, hand delivery, delivery by courier, or facsimile.

The bid delivery address is:

WV State Treasurer's Office

Attn: Purchasing Division

322 70th Street S.E.

Charleston, WV 25304

A bid that is not submitted electronically through wvOASIS should contain the information listed below on the face of the envelope or the bid may be rejected by the STO Purchasing Division:

Note: Items in italics are for informational purposes only as a means of assisting Vendor in marking their bid submissions that may be physically delivered.

SEALED BID: *Brief Description of Project/Item*

BUYER: *Buyer Name listed above in item 4*

SOLICITATION NO.: *Document number from Solicitation*

BID OPENING DATE: *As stated in Solicitation and/or item 7*

BID OPENING TIME: *As stated in Solicitation and/or item 7*

FAX NUMBER: 304-340-1518 (*if submitting Bid via facsimile*)

Vendor accepts the risk of its Bid not being completely transmitted if sent via facsimile. Agency will not confirm bid/Solicitation details of any related documentation received via facsimile prior to bid opening and/or evaluation.

The STO Purchasing Division may prohibit the submission of bids electronically through wvOASIS at its sole discretion. Such a prohibition will be contained and communicated in the wvOASIS system resulting in the Vendor's inability to submit bids through wvOASIS. Submission of a response to an Agency Expression of Interest or Agency Request for Proposal is currently not permitted in wvOASIS.

For Agency Request For Proposal ("ARFP") Responses Only: In the event that Vendor is responding to a request for proposal, the Vendor shall submit one original technical and one original cost proposal plus _____ convenience copies of each to the STO Purchasing Division at the address shown above. Additionally, the Vendor should identify the bid type as either a technical or cost proposal on the face of each bid envelope submitted in response to a request for proposal as follows:

BID TYPE: (**This only applies to ARFP's**)

Technical

Cost

- 7. BID OPENING:** Bids submitted in response to this Solicitation will be opened at the location identified below on the date and time listed below. Delivery of a bid after the bid opening date and time will result in bid disqualification. For purposes of this Solicitation, a bid is considered delivered when confirmation of delivery is provided by wvOASIS (in the case of electronic submission) or when the bid is time stamped by the official STO Purchasing time clock (in the case of hand delivery).

Bid Opening Date and Time: _____ at _____ **EST**

Bid Opening Location: WV State Treasurer's Office
STO Purchasing Division
322 70th Street S.E.
Charleston, WV 25304

- 8. ADDENDUM ACKNOWLEDGEMENT:** Changes or revisions to this Solicitation will be made by an official written addendum issued by the STO Purchasing Division. Vendor should acknowledge receipt of all addenda issued with this Solicitation by completing an Addendum Acknowledgment Form, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.
- 9. BID FORMATTING:** Vendor should type or electronically enter the information onto its bid to prevent errors in the evaluation. Failure to type or electronically enter the information may result in bid disqualification.
- 10. ALTERNATES:** Any model, brand, or specification listed in this Solicitation establishes the acceptable level of quality only and is not intended to reflect a preference for, or in any way favor, a particular brand or vendor. Vendors may bid alternates to a listed model or brand provided that the alternate is at least equal to the model or brand and complies with the required specifications. The equality of any alternate being bid shall be determined by the State at its sole discretion. Any Vendor bidding an alternate model or brand should clearly identify the alternate items in its bid and should include manufacturer's specifications, industry literature, and/or any other relevant documentation demonstrating the equality of the alternate items. Failure to provide information for alternate items may be grounds for rejection of a Vendor's bid.
- 11. EXCEPTIONS AND CLARIFICATIONS:** The Solicitation contains the specifications that shall form the basis of a contractual agreement. Vendor shall clearly mark any exceptions, clarifications, or other proposed modifications in its bid. Exceptions to, clarifications of, or modifications of a requirement or term and condition of the Solicitation may result in bid disqualification. The STO is under no obligation to consider or negotiate any terms and conditions or alternative terms and conditions contained in the Vendor's proposals.
- 12. COMMUNICATION LIMITATIONS:** Communication with the STO or any of its employees regarding this Solicitation during the solicitation, bid, evaluation or award periods, except through the STO Purchasing Division, is strictly prohibited without prior STO Purchasing Division approval.
- 13. REGISTRATION:** Prior to Contract award, the apparent successful Vendor must be properly registered with the West Virginia Purchasing Division and must have paid the \$125 fee, if applicable.
- 14. UNIT PRICE:** Unit prices shall prevail in cases of a discrepancy in the Vendor's bid.

15. PREFERENCE: Vendor Preference may be requested in purchases of motor vehicles or construction and maintenance equipment and machinery used in highway and other infrastructure projects. Any request for preference must be submitted in writing with the bid, must specifically identify the preference requested with reference to the applicable subsection of W. Va. Code § 5A-3-37, should include with the bid any information necessary to evaluate and confirm the applicability of the requested preference. A request form to help facilitate the request can be found at: <http://www.state.wv.us/admin/purchase/vrc/Venpref.pdf>.

15A. RECIPROCAL PREFERENCE: The State of West Virginia applies a reciprocal preference to all solicitations for commodities and printing in accordance with W. Va. Code § 5A-3-37(b). In effect, non-resident vendors receiving a preference in their home states will see that same preference granted to West Virginia resident vendors bidding against them in West Virginia. A request form to help facilitate the request can be found at: <http://www.state.wv.us/admin/purchase/vrc/Venpref.pdf>.

16. SMALL, WOMEN-OWNED, OR MINORITY-OWNED BUSINESSES: For any solicitations publicly advertised for bid, in accordance with W.Va. Code § 5A-3-37(a)(7) and W.Va. CSR § 148-22-9, any non-resident vendor certified as a small, women-owned, or minority-owned business under W.Va. CSR § 148-22-9 shall be provided the same preference made available to any resident vendor. Any non-resident small, women-owned, or minority-owned business must identify itself as such in writing, must submit that writing to the STO Purchasing Division with its bid, and must be properly certified under W.Va. CSR § 148-22-9 prior to contract award to receive the preferences made available to resident vendors. Preference for a non-resident small, women-owned, or minority-owned business shall be applied in accordance with W. Va. § CSR § 148-22-9.

17. WAIVER OF MINOR IRREGULARITIES: The STO Director of Purchasing reserves the right to waive minor irregularities in bids or specifications.

18. ELECTRONIC FILE ACCESS RESTRICTIONS: Vendor must ensure that its submission in wvOASIS can be accessed and viewed by the STO Purchasing Division staff immediately upon bid opening. The STO Purchasing Division will consider any file that cannot be immediately accessed and viewed at the time of the bid opening (such as, encrypted files, password protected files, or incompatible files) to be blank or incomplete as context requires, and are therefore unacceptable. A Vendor will not be permitted to unencrypt files, remove password protections, or resubmit documents after bid opening if those documents are required with the bid. A Vendor may be required to provide document passwords or remove access restrictions to allow the STO Purchasing Division to print or electronically save documents provided that those documents are viewable by the STO Purchasing Division prior to obtaining the password or removing the access restriction.

19. NON-RESPONSIBLE: The STO Purchasing Director reserves the right to reject the bid of any vendor as Non-responsible when it is determined that the vendor submitting the bid does not have the capability to fully perform, or lacks the integrity and reliability to assure good-faith performance.

20. RFP/RFQ WITHDRAWAL, MODIFICATION, and CANCELLATION: The STO may withdraw, cancel, or modify an RFP/RFQ at any time. Submission of proposals or receipt of proposals by the STO confer no rights upon the Vendor and do not obligate the STO in any manner. Further, the STO may accept or reject any bid in whole, or in part.

21. YOUR SUBMISSION IS A PUBLIC DOCUMENT: Vendor's entire response to the Solicitation and the resulting Contract are considered public documents. As public documents, they will be disclosed to the public following the bid/proposal opening or award of the contract, as required by the competitive bidding laws of West Virginia and the Freedom of Information Act found in West Virginia Code § 29B-1-1 et seq.

DO NOT SUBMIT MATERIAL YOU CONSIDER TO BE CONFIDENTIAL, A TRADE SECRET, OR OTHERWISE NOT SUBJECT TO PUBLIC DISCLOSURE.

Submission of any bid, proposal, or other document to the STO Purchasing Division constitutes your explicit consent to the subsequent public disclosure of the bid, proposal or document. The STO Purchasing Division will disclose any document labeled "confidential", "proprietary", "trade secret", "private", or labeled with any other claim against public disclosure of the documents, to include any "trade secrets" as defined by W.Va. Code § 47-22-1 et seq. All submissions are subject to public disclosure without notice.

22. INTERESTED PARTY DISCLOSURE: West Virginia § 6D-1-2 requires that the vendor submit to the Purchasing Division a disclosure of interested parties to the contract for all contracts with an actual or estimated value of at least \$1 Million. That disclosure must occur on the form prescribed and approved by the WV Ethics Commission prior to contract award. This requirement does not apply to publicly traded companies listed on a national or international stock exchange. A more detailed definition of interested parties can be obtained from the form referenced above. A copy of that form is available from the Agency Buyer designated in Section 4 above.

23. WITH THE BID REQUIREMENTS: In instances where these specifications require documentation or other information with the bid, and a vendor fails to provide it with the bid, the STO Director of Purchasing reserves the right to request those items after bid opening and prior to contract award. This does not apply to instances where state law mandates receipt with the bid.

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West Virginia State Treasurer's Office
Merchant Payment Processing Services
ARFP STO2000000001

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GLOSSARY OF RFP TERMS:

All capitalized terms and abbreviations used in this RFP shall have the meanings as set forth below.

“Acquirer” means an entity, typically a financial institution, which processes payment card transactions for merchants and is defined by a payment brand as an acquirer. Acquirers are subject to payment brand rules and procedures regarding merchant compliance. (Also referred to as “merchant bank,” “acquiring bank,” or “acquiring financial institution”).

“ADA” means American Disabilities Act, which is a federal law designed to prohibit discrimination against any “qualified individual with a disability” in all aspects of employment, including hiring, promotions, discharge, training, and benefits of employment.

“AEIPS” means the American Express Integrated Circuit Card Payment Specifications which outline American Express EMV implementation requirements.

“AID” means Application Identifier and is used to identify the EMV applications a terminal supports. AIDs identify the card schemes and parameters that indicate how the application can be processed.

“All Activity File” means a file that contains a list of all transaction activity that occurred at the processor and is available for retrieval by WVSTO.

“AVS” means the Address Verification Service and utilizes the address and zip code entered on Card Not Present transactions and compares it to the address and zip code associated with the card. The AVS response indicates whether there was a match, partial match, no match or AVS not available/error.

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“BB&T” means the bank contracted by the State Treasury Office to administer all payment processing services. BB&T serves as the merchant services provider and contracts with the processor, gateways, and other payment service providers to deliver the payment services required by the STO and agencies.

“Batch” means a collection of credit card transactions that are saved for submitting at the end of the business day.

“Batch Close” means the process of sending a batch to the financial institution for settlement.

“Cardholder” means a consumer to whom a payment card is issued or any individual authorized to use the payment card.

“Cardholder Data” means, at a minimum, the full PAN and may also include any of the following: cardholder name, expiration date and/or service code.

“Card Present” means transactions that occur with the cardholder present. These transactions may require a clerk or the customer to swipe the mag stripe on the card through a POS terminal, or insert an EMV card into the terminal, or to tap the card in a contactless transaction.

“Card Not Present” means transactions that occur without the card or cardholder present and may be eCommerce transactions (such as through the STO’s E-Pay page online) or situations where clerks enter numbers that they receive by phone or mail.

“Chargeback” means the act of taking back funds that have been paid to a merchant for a disputed or improper payment card transaction.

“Code” means the West Virginia Code.

“Consumer” means individual purchasing goods, services, or both.

“CVM” means Cardholder Verification Method. Used to evaluate whether the person presenting a payment instrument, such as a payment card, is the legitimate cardholder.

“CVV” means Card Verification Value is an encrypted 3 or 4 digit number printed on the back of a payment card and is used to add an additional layer of protection for online transactions. The CVV is also referred to as CVV2 (Visa), CVC2 (MasterCard), CSC, or CID (American Express).

“Debit” means a charge to a customer’s bankcard account. A transaction, such as a check, automated teller machine (ATM) withdrawal, or point-of-sale (POS) debit purchase that debits a demand deposit account.

“EBT” means is the benefit delivery system for public assistance via electronic access to their cash and Supplemental Nutrition Assistance Program (SNAP) benefits.

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“eCommerce” means the process of conducting payment transactions over a computer network, usually the Internet. In eCommerce the cardholder and payment card is usually not present; instead, the payer enters that data into a web browser form remotely.

“E-Gov” means E-Government (short for electronic government), which is the use of electronic communications devices, computers and the Internet to provide public services to citizens and other persons in the State of West Virginia.

“EFT” means Electronic Funds Transfer. The transfer of money initiated through an electronic terminal, automated teller machine, computer, telephone, or magnetic tape. EFT also applies to credit card and automated bill payments.

“EMV” means a payment method (also known as chip-cards) based upon a technical standard for smart payment cards and for payment terminals and automated teller machines that can accept them.

“Encryption” means the process of converting information into an unintelligible form except to holders of a specific cryptographic key. Use of encryption protects information between the encryption process and the decryption process (the inverse of encryption) against unauthorized disclosure

“Host-based Capture” means the ability to remove all PAN data from the STO environment by allowing a processors’ gateway to be embedded in a STO-hosted web page.

“Issuer” means an entity that issues payment cards or performs, facilitates, or supports issuing services including but not limited to issuing banks and issuing processors. Also referred to as “issuing bank” or “issuing financial institution.”

“L-Gov” means the system developed by the STO for use by local governments to accept payments.

“Level 2” means a transaction that includes additional information that can assist merchants in lowering interchange rates. In addition to the standard credit card information, Level 2 transaction data also includes the merchant name, transaction amount, merchant state, tax amount and customer code or invoice number.

“Level 3” means a transaction that includes the maximum amount of information about the transaction. In addition to all of the data fields that make up level 1 and level 2 transactions, level 3 transactions require the following data fields: Ship-from ZIP/postal code. Ship-to/destination ZIP code.

“Merchant Account” means an account that is established by a merchant to receive payment via credit cards.

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“Merchant ID (MID)” means a merchant identification code assigned by the Acquirer and used to identify the owner of merchant card transactions or E-Gov account by the STO (State Treasurer’s Office) to identify a State agency.

“PA-DSS” means The Payment Application Data Security Standard and is the global security standard created by the Payment Card Industry Security Standards Council.

“PAN” means “primary account number” and is also referred to as “account number.” Unique payment card number (typically for credit or debit cards) that identifies the issuer and the particular cardholder account.

“PCI” means Payment Card Industry.

“PCI DSS” means Payment Card Industry Data Security Standard.

“PCI-PED” means a security requirement for manufacturers that sell PIN pads and terminals with internal PIN pads.

“PCI-PTS” means (formerly PCI PED) a set of security requirements focused on characteristics and management of devices used in the protection of cardholder PINs and other payment-processing related activities. The requirements are for manufacturers to follow in the design, manufacture and transport of a device.

“PIN” means Personal Identification Number which is a numeric password known only to the user and is used to authenticate the user to the system.

“POS” means any electronic credit card terminal, credit card software or computer system including Touchscreens, Kiosks or Virtual Terminals, where credit card transactions may be keyed, inserted, or swiped.

“PTS” means PIN Transaction Security, which is an evaluation program designed to ensure that all PIN Entry Devices (PEDs) meet the same minimum-security requirements.

“Reconciliation” means the process in which a merchant reconciles payment transactions and what is successfully settled by the acquirer. Merchants reconcile data based on business need (frequency, level of detail, etc.).

“SAF” means store and forward and is an application in payment terminals that allows transactions to be taken while a terminal is offline and process them at a later time once a connection is available.

“Settlement” means the process by which transactions are batched and submitted by the Acquirer to the card brands for payment to the merchant.

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“**SLA**” means a Service Level Agreement between a service provider and the end user that defines the level of service expected from the service provider. SLAs are output-based in that their purpose is specifically to define what the customer will receive.

“**State**” means the state of West Virginia.

“**STO**” means the West Virginia State Treasurer’s Office.

“**TID**” (Terminal ID) means a unique identification number assigned to a specific point of sale (POS) device by the Acquirer or E-Gov account by the STO (State Treasurer’s Office).

“**TOR**” means Time Out Reversals, which means an action taken to automatically reverse an approved authorization if the authorization response is not received within the time allowed by the system.

“**TPS**” means transactions per second.

“**Tokenization**” means the process of converting a customer’s PAN into a token that can only be translated or de-tokenized with use of the token key. The token may only be used within the merchant’s environment and may be used for subsequent transactions.

“**User-defined Fields**” means fields defined/created by STO to track information specific to certain merchant activity. This information should be trackable from gateway to settlement and be useable for reconciliation.

“**Virtual Payment Terminal**” means a web-browser-based access to an acquirer, processor or third-party service provider website to authorize payment card transactions, where the merchant manually enters payment card data via a securely connected web browser.

“**wvOASIS**” means the State Enterprise Resource Planning (ERP) system with a comprehensive suite of integrated modules that provide end-to-end support for statewide administrative functions such as Financial Management, Procurement, Asset Management, Payroll, etc.

SECTION ONE: GENERAL INFORMATION

- 1.1 Purpose:** The West Virginia State Treasurer’s Office (“STO” or “Treasurer”) is issuing this solicitation as a Request for Proposal (“RFP”) to seek proposals from qualified payment processors (“Vendors”) to provide certain merchant payment processing services (“Services”) in accordance with the specifications, terms and conditions of this RFP. “Services” includes any goods, hardware, software and any other tangible and intangible items required to provide or produce them. This procurement is exempt from the requirements of the West Virginia Purchasing Division pursuant to *W.Va. Code §12-3A-3*.

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The RFP is a procurement method in which vendors submit proposals in response to the request for proposal published by the State. It requires an award to the highest scoring vendor, rather than the lowest cost vendor, based upon a technical evaluation of the vendor's technical proposal and a cost evaluation. This is referred to as a best value procurement. Through their proposals, Vendors offer a solution to the objectives, problem, or need specified in the RFP, and define how they intend to meet (or exceed) the RFP requirements.

To help select the most qualified and capable Vendor, this RFP (i) provides information on the current status of the Program, (ii) establishes the mandatory requirements for proposals, (iii) provides how proposals are to be submitted, and (iv) offers information on the evaluation process for all proposals received.

By signing and submitting its proposal, the successful Vendor agrees to be bound by all the terms contained in this Request for Proposal (RFP).

1.2 RFP Schedule of Events:

Vendor's Written Questions Submission Deadline.....	December 12, 2019
Addendum Issued.....	TBD
Technical Bid Opening Date.....	January 23, 2020
Oral Presentation (Agency Option).....	TBD
Cost Bid Opening.....	TBD
Contract Award Made.....	TBD

The STO will make effort to notify vendors originally included in the invitation notice of any addenda to this solicitation through direct notification; **however**, it is the Vendor's responsibility to check for updates in both wvOASIS.gov and the STO public web page before it responds with a proposal.

The **STO webpage address** is <http://www.wvtreasury.com/RFP-RFQ>

The **wvOASIS (Vendor Self Service Portal) webpage address**, and general information for other bid opportunities, is <https://prod-fin-vss.wvoasis.gov/webapp/prdvss11/AltSelfService>

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SECTION TWO: INSTRUCTIONS TO VENDORS SUBMITTING BIDS

Instructions attached.

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SECTION THREE: GENERAL TERMS AND CONDITIONS

Terms and conditions attached.

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SECTION FOUR: PROJECT SPECIFICATIONS

4.1 Location: The main office for the State Treasurer is located at 1900 Kanawha Blvd. E, Bldg. 1 Suite E-145, Charleston, West Virginia 25305. The program staff for the State Treasurer's Office is located at 315 70th Street, Charleston, West Virginia 25304.

4.2 Background and Current Operating Environment

4.2.1 Authority: The West Virginia State Treasurer is a constitutional officer with the responsibility to provide a stable source of professional financial management for the collection, disbursement, management and investment of public funds. This "RFP" is issued pursuant to the authority granted to the STO by *W.Va. Code* §12-3A-3, which requires that the Treasurer shall competitively bid the selection of Vendors needed to provide banking, investment and related goods and services. The current contract for Merchant Services is nearing its final extension date and a new contract is required for such services.

4.2.2 The STO's Organizational Structure:

The STO procures and maintains ownership of the Merchant Services contract for the State. In addition, the STO manages the settlement and reconciliation activities for payments processed for the spending units' Card Present (CP) transactions and the E-Government (Card Not Present (CNP)) program. Spending units are responsible for the validation of their daily batch settlements.

As the STO is accountable for all State funds processed by the spending units, all reporting of payments processed roll up to the STO. Spending units have unique Merchant IDs (MIDs) and can have multiple locations. Each location rolls up to its spending unit, and each spending unit rolls up to the STO.

The STO requires the cooperation of its Merchant Services partner in support of this organizational structure for effective processing and reporting of payments. Because of the diverse, and at times conflicting, needs of the spending units; a strong partnership is required to effectively support a wide-range of business processing needs and architectures. As the STO looks to the future, it seeks a partner who can help support these diverse needs, offer solutions that can assist in enhancing the service offerings to the spending units, and to simplify the diverse architectures, and generate efficiencies for both the STO and the spending units.

4.2.3 Current Payment Acceptance:

Currently the STO accepts customer payments using Visa, MasterCard, American Express and Discover credit and debit cards. The STO is interested in expanding payment acceptance to also include JCB, Union Pay, PayPal, Apple Pay, and Google Pay.

ACH payments are accepted by the State and are out of scope for this RFP.

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The current merchant services provider is the settlement agent for Visa, MasterCard and Discover transactions. The STO maintains separate contract with American Express that specifies the discount fees charged to the State for the merchant services for each of these card brands. **All transactions are settled for the full amount of the transaction to the State. Discount and transaction fees for all card brands are paid in arrears and are invoiced directly to the STO and spending units on a monthly basis.** Fees are not permitted to be netted against settlement and may not be debited from the STO bank account. Invoices provided to STO and spending units for discount fees passed through the acquirer, are provided with backup of transaction information.

4.2.4 Card Present (CP) Transactions: The STO is responsible for receiving all funds due to the State of West Virginia. The STO provides payment terminals and/or virtual terminals to State spending units through the current Merchant Services contract to accept payments via credit cards. There are also a limited number of locations that accept state-issued gift cards. There are 490 terminals located at various spending unit division locations throughout the State of West Virginia (Exhibit A). Payment transactions from these terminals are processed by the acquiring bank and settle to our State credit card bank account. Additionally, there are approximately 100 terminals purchased from the current contract by Magistrate courts, the WV Parkways Authority, municipalities and various colleges and universities to accept credit card payments for Card Present transactions. (Exhibit A). Each spending unit location has its own merchant identification number ("MID"), which uniquely identifies it throughout the course of processing activities. The STO permits the acceptance of Visa, MasterCard, Discover and American Express.

The current process for accepting a credit card payment includes swipe, dip, contactless, and keyed entry processing for customer's payment through a payment terminal to obtain sales authorization. State spending units perform a manual batch close on each terminal to close the business day. Due to the variance in spending unit businesses, each may complete a batch close at varying times in a given day. All closed batches are settled and deposited at the current banking services partner, BB&T.

The above payment processing infrastructure is subject to PCI requirements. State spending units are responsible for reporting their own PCI compliance in regard to card present transactions. The current Merchant Services provider provides contracted services to an approved PCI compliance vendor to assist spending units in reporting their PCI compliance. However, these contracted services are outside of scope for this RFP.

4.2.5 E-Government (E-Gov): The E-Government Program permits State spending units to secure credit card payments over the Internet. There are two in-house built systems that operate the E-government program, E-Pay and E-Gov. These programs work together to receive, record and transmit payment transactions to the STO's acquirer via a gateway.

Through the E-Pay system, STO provides basic payment pages for spending units to collect information from customers before a payment is made. The E-Gov system serves as the

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central transaction repository for the STO, stores summary payment information, and acts as the order management system for STO.

Payment data (PAN, expiration date, secure code) is captured by E-Pay and then passed to the acquirer's gateway for authorization. Once the payment is deemed successful or failed, the response is returned to the E-Pay system to inform the customer and recorded in the E-Gov system for use by spending units. The only payment data retained in either in-house system is the first two and last four digits of the PAN and the expiration date.

In the future state, the STO would like to pursue client-side data protection measures (e.g. tokenization) to ensure that sensitive payment data is never present in the STO environment. This will help the STO reduce PCI scope and credit card processing risk.

The STO acquirer's current gateway batches the payments each day at 11pm ET and sends to the acquirer for processing and settlement to the STO's account the following morning.

WV State Code makes it mandatory for all spending units to utilize the STO's E-Pay system for the collection of payment information unless given an exemption by the STO to use an alternate process. Spending units may also contract with third party vendors to build front-end systems (such as reservation management systems) and utilize that system to interface with E-Pay for the collection of payment information. If the selected system does not support integration with E-Pay, then an exemption may allow a spending unit to process outside of the merchant services contract. The STO desires a processing partnership to reduce/eliminate the number of exemptions needed by spending units.

- 4.2.6 L-Government:** The STO also offers a Local Government Program that operates in the same manner as the E-Government Program but is offered to Local Governments and Municipalities of the State of WV. Instead of utilizing E-Pay and E-Gov, the Local Government Program utilizes the L-Gov and LE-pay system. These operate in the same manner as their E-Government counterparts and route payments through the same gateway and processor. Local Governments are not required by code to utilize the STO's L-Government program and funds are deposited into their own separate account.
- 4.2.7 Service Fees:** The STO and spending units charge a service fee (currently a percent of transaction amount) on certain transactions. The fee may be assessed in both the CP and CNP environments. This fee is charged in accordance with the card brand rule pertaining to government accounts.
- 4.2.8 Annual Transaction Information:** The chart below is a breakdown of the total net sales transactions for the calendar year 2018, reflecting the count and amount of sales for the various cards used. The expanding spending unit consumer-facing capabilities would indicate a likelihood for these numbers to continue growing in the future.

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	Card Present		Card Not Present (E-Gov & Other)		Total CP & CNP	
	Count	Amount *	Count	Amount *	Count	Amount *
Visa	1,462,291	\$ 140,867,747	649,536	\$ 116,721,315	2,111,827	\$ 257,589,062
Mastercard	549,189		296,548		845,737	
Discover	82,316		36,884		119,200	
PIN Debit	773		-		773	
	2,094,569	\$ 140,867,747	982,968	\$ 116,721,315	3,077,537	\$ 257,589,062
Amex	71,448	\$ 16,187,142	50,056	\$ 10,337,279	121,504	\$ 26,524,420
Total	2,166,017	\$ 157,054,889	1,033,024	\$ 127,058,594	3,199,041	\$ 284,113,482
* Amount by card type is not available in current STO reporting.						

Note that the number of agencies using, and the volumes of gift card transactions is very low, and that data on these volumes cannot be obtained through current reporting.

4.2.9 Vendor Response/Technical Proposal: Vendor needs to demonstrate the qualifications, competence and capacity of the firm and its staff to provide the Services offered in its proposal. Do not presume the STO knows your work. Even if the vendor has previously provided the Services to the STO, it must address the specifications as any other Vendor would.

4.3 Qualifications and Experience: Vendors should provide in **Attachment A: Vendor Response Sheet** information regarding their firm, such as staff qualifications and experience in completing similar projects; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.

4.3.1 Organizational Requirements: Vendor should provide an overview and history of its organization, including parent and/or subsidiary companies and the number of employees. Provide the address of the office location(s) that will service the STO.

4.3.1.1 Vendor should provide a copy of its two (2) most recent annual reports and audit opinions and evidence of a rating by a rating company.

4.3.1.2 Describe the Vendor's organizational structure and the physical locations of the merchant card processing functions.

4.3.1.3 Discuss how long the Vendor has been providing merchant card services.

4.3.1.4 Discuss the Vendor's staff and its experience with merchant card services. Please provide the resume or curriculum vitae of each staff member who will be working with the STO at all stages and levels of service required by this RFP.

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4.3.1.5 Vendor should provide the names of at least three (3) but no more than five (5) clients that may be contacted as references for purposes of this RFP. Provide the name and telephone number of a contact person for each of the clients specified. At least one (1) of these clients must have operations of a similar size, complexity and nature as the STO based upon future projections as described in the overview, if available. All or none of these clients may be contacted by members of the STO Evaluation Committee to determine the ability of the Vendor and the level of satisfaction with the Vendor. The STO reserves the right to contact any person or entity it believes prudent in order to inquire about the Vendor.

4.3.2 Card Not Present Requirements

4.3.2.1 Vendor should identify their single solution as required in 4.4.1.1 (e.g. gateway or direct connection to acquirer).

4.3.2.2 Vendor should describe what other digital wallet options its single solution supports in addition to the mobile payment methods required in 4.4.3.6 and 4.4.1.1.

4.3.2.3 Vendor should describe its support offered for PayPal transaction processing for Card Not Present in the single solution required in 4.4.1.1.

4.3.2.4 Vendor should provide the number of user-defined fields available for use in the authorization and response message between E-Gov and your single solution required in 4.4.1.1, as well as any limitations of these fields (format, length) as required in 4.4.1.3. The STO prefers a minimum length of at least 16 characters. Indicate if these fields are used in reporting. Also indicate if the user-defined field is available on the All Activity File at the acquirer level. The STO prefers that the user-defined fields be available from the gateway report (if applicable) through to the acquirer All Activity File.

4.3.2.5 Vendor should describe how its single solution, as required in 4.4.1.1, supports the usage of AVS and CVV validations for Card Not Present transactions.

4.3.2.6 Vendor should describe their processing and settlement options as it relates to charging a customer a service fee and if this is supported using single and/or multiple transaction models as required in 4.4.3.8. The STO prefers vendor offers both single and multiple transaction models.

4.3.2.7 Vendor should describe the process to set up new locations within the single solution required in 4.4.1.1. Also include what is required to be provided by the STO to initiate onboarding processes.

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- 4.3.2.8** Vendor should describe the recommended settlement design for both card present and card not present transactions. The STO prefers batch settlement for both card present and card not present.
- 4.3.2.9** Vendor should provide an example any forms required for setting up a new MID within the single solution required in 4.4.1.1.
- 4.3.2.10** Vendor should describe how its single solution required in 4.4.1.1 will remove PAN data from the STO environment as required in 4.4.1.5. The STO prefers an iframe or http post solution where the STO controls the initiation of client side tokenization.
- 4.3.2.11** Vendor should describe the tokenization solution offered through the single solution required in 4.4.1.1, including support for receipt and use of the token as the payment credential for sales and refunds as well as the formats supported as required in 4.4.1.6.
- 4.3.2.12** Vendor should describe how the Vendor's single solution, as required in 4.4.1.1, supports updating tokens to replace/update account information using an automated service.
- 4.3.2.13** Vendor should describe the process utilized by its tokenization solution, discussed in 4.3.2.12, to convert historical STO card data on file.
- 4.3.2.14** Vendor should describe how its single solution required in 4.4.1.1 supports STO users to view and search for transaction data by the user-defined fields (as provided in the authorization request and response). Include in the description how the reporting solution supports this.
- 4.3.2.15** Vendor should describe the length of time in which refunds can be issued back against original transactions without having to provide card PAN data. The STO prefers the Vendor allow refunds against the original transaction for at least 18 months.
- 4.3.2.16** Vendor should describe the availability of the Vendor's single solution, required in 4.4.1.1, QA environment as required in 4.4.1.9. Provide details of any limitations on availability or transaction types.
- 4.3.2.17** Vendor should describe its plan to assist the State with testing the single solution as required in 4.4.1.1 with E-Gov. Vendor should include a description of all testing procedures.
- 4.3.2.18** Vendor should describe the options to configure the EOD cut-off on host-based capture and if this is configurable by the STO. The STO prefers the cut-off time is configurable by the STO.

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4.3.3 3rd Party Gateways

- 4.3.3.1** Vendor should provide the list of alternative payment gateway solutions that are currently certified to your processor other than the solution proposed in the 4.3.2.1. The STO prefers vendors with integration/certification with numerous payment gateways.
- 4.3.3.2** If the STO or a spending unit is connected to a Vendor's third party gateway, the STO prefers to have a direct contact at this gateway. Vendor should indicate the ability for this direct support to be set up with third party gateways the STO would connect with.

4.3.4 Card Present Technical Requirements

- 4.3.4.1** Vendor should provide a list of manufacturer and model for each payment terminal that would be available to the STO and the spending units as required in 4.4.2.10, along with the following information for each. The STO prefers a vendor with numerous payment terminal options, spending unit purchased or leased equipment, fixed and portable payment terminals and multiple communication options.
- Device description
 - Physical specifications (device and screen size)
 - Power options
 - Key functionality
 - Reset/reboot functionality
 - Communication options (IP, Serial, USB, cellular)
 - Indicate if each payment terminal is compliant with the various industry standards: PCI-PED, PTS, AEIPS, PA-DSS.
 - Indicate if each payment terminal is certified with the PCI SSC
 - If the device supports a PCI P2PE-validated solution
 - Indicate all entry methods the device supports (e.g., insert swipe, EMV contactless, manual key, etc.)
 - Indicate if payment terminal supports all ADA requirements for keys, visual and audio.
 - Costs for equipment, leases, warranties and services must be indicated **on the Cost Proposal Form only**, and must be inclusive of all shipping, installation, travel and other related costs. Please do **NOT** provide cost in answer. Provide any cost on cost sheet.
- 4.3.4.2** The spending units have approximately two hundred (200) locations that use PC software or virtual terminals rather than a POS card swipe terminal. Describe any software that the Vendor provides for this purpose and state the hardware or other requirements the STO would need in order to use this software.

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- 4.3.4.3** Vendor should provide other mobile wallet options its terminal solutions support in addition to the mobile payment methods required in 4.4.3.6.
- 4.3.4.4** Describe how the Vendor solution supports EMV technical fallback from chip to magnetic stripe to keyed entry.
- 4.3.4.5** Vendor should describe its ability to support EBT transaction processing.
- 4.3.4.6** Vendor should describe if solution supports PIN entry bypass capability.
- 4.3.4.7** Vendor solution should support all Application IDs (AIDs) for the following payment brands: Visa, MasterCard, Amex, Discover, Diners, U.S. Common Debit, JCB and UnionPay. Describe the ability to support this. If there are any exceptions to supporting the AIDs indicated, indicate if there are plans to accept these in the future and the timing of each. The STO prefers all AIDs listed are supported.
- 4.3.4.8** The STO prefers the Vendor solution supports offline verification and offline authorization. Describe the ability to support this functionality.
- 4.3.4.9** Describe the process for updating payment terminals to support remote updates to the operating system, firmware, certificates, and encryption keys.
- 4.3.4.10** Describe how Vendor payment terminals handle Time Out Reversals (TOR).
- 4.3.4.11** Describe how the Vendor solution supports the ability to receive end of day (EOD) or batch close messages from the payment terminals as required in 4.4.2.5. Please provide information on the capability to perform a manual batch close.
- 4.3.4.12** Describe the process to set up payment terminals with spending unit location information or Merchant IDs. Include if the process can be remotely executed.
- 4.3.4.13** Describe the Vendor's process to set up new locations within the solution. Also include what is required to be provided by the STO to initiate onboarding processes.
- 4.3.4.14** Vendor should provide their lead-time between a new spending unit location setup request and MID issuance.
- 4.3.4.15** Vendor should provide an example any forms required for setting up a new MID.
- 4.3.4.16** Describe how Vendor terminal solutions support a remote inventory management system that the STO or state spending units have access to, to obtain the necessary payment terminal data (e.g. serial number).

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- 4.3.4.17** Vendor should indicate how the offered payment terminal solutions support the display/transmit/printing of additional metadata (transaction id, merchant id, and signature line) for store copies of receipts.
- 4.3.4.18** Vendor should provide its ability to provide a closed loop stored value solution. The STO prefers Vendor be able to provide a closed loop stored value solution.
- 4.3.4.19** Describe the ability of Vendor terminals offered to white list and not encrypt only particular transactions based on particular card types such as stored value cards, EBT cards and any other non-PCI cards.
- 4.3.4.20** Based on the list of terminals and virtual terminals provided in Exhibit A, please indicate which ones the vendor can support. Indicate if each existing terminal can be updated with Vendor Pin-debit and payload encryption keys. Also, indicate which terminals or virtual terminal would need to be replaced. The STO prefers a vendor who can utilize most terminals already deployed in the field.
- 4.3.4.21** Spending units should have ability to easily "swap out" to replace devices in cases of equipment failure, changing the connection to another POS, etc. Describe the process to pair a new payment terminal device with the POS and configure for easy installation. Provide details on various options (if available) to simplify the pairing process for spending units.
- 4.3.4.22** Please provide any contracted third parties used to support terminal deployment, replacement or trouble shooting.
- 4.3.4.23** Provide the Vendor's warranty program for equipment proposed. The STO prefers at least a 1 year warranty for all equipment.
- 4.3.4.24** Describe how new or replacement equipment will be ordered by the spending units.
- 4.3.4.25** Provide the Vendor's payment terminal break/fix replacement SLA.
- 4.3.4.26** Describe how the Vendor will utilize remote diagnostics to facilitate troubleshooting and issue resolution.
- 4.3.4.27** Provide the terminal-related materials that the Vendor provides to users as required in 4.4.2.14.
- 4.3.4.28** Describe the Vendor's PCI council validated point-to-point encryption solution as required in 4.4.2.7.

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4.3.5 General Requirements - *These requirements may apply to both card present and card not present transactions.*

- 4.3.5.1** Vendor should provide their single acquiring platform solution as required in 4.4.3.4. Please describe any gateway, front end authorization and back end settlement platforms for this solution.
- 4.3.5.2** Vendor should describe how the solution supports dynamic currency conversion for international cards.
- 4.3.5.3** There are several spending units with a small volume of transactions. Describe the Vendor's ability to provide alternative merchant processing methods (e.g., verification by phone).
- 4.3.5.4** Describe the Vendor's controls in place to protect data integrity (i.e., ensuring that data is not lost or duplicated).
- 4.3.5.5** State the Vendor's maximum authorization volume capacity on CP and CNP, including maximum number of items in a batch, maximum number of batches processed per day, and any other system limitations. Include the max tps on any platform including gateway, tokenization and authorization.
- 4.3.5.6** Vendor should outline the funding schedule and daily cutoff times for next day settlement and funding for each card type split between Card Present and Card Not Present (as required in 4.4.2.4). The STO prefers cutoff times be the same for all card brand types. The STO also prefers an 11:00pm EST, or later, cutoff time.
- 4.3.5.7** Vendor should describe the recommended settlement design for both card present and card not present transactions. The STO prefers batch settlement for both card present and card not present.
- 4.3.5.8** Provide the Vendor's settlement funding SLA. Indicate the percent of time the Vendor met this SLA for each of the last 12 months. The STO prefers 100% percentage rate.
- 4.3.5.9** Vendor should provide examples of the following invoices. The STO prefers invoices that include transaction data with breakdown of costs.
- Monthly STO invoice (E-Government/L-Government)
 - Monthly fee breakdown monthly spending unit acquiring invoice (Card Present)
 - Monthly spending unit terminal services invoice
- 4.3.5.10** Describe how Vendor proposes to handle funding processes including notification and ability to meet settlement deadlines as required in 4.4.2.4.

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- 4.3.5.11** Vendor should describe its ability to open and close seasonal MIDs (e.g. holiday, pop-up shop, farmers market). The STO prefers the Vendor support the ability to suspend activity and cost on these MIDs based on the discretion of the spending unit or STO. Please do **NOT** provide cost in answer. Provide any cost on cost sheet.
- 4.3.5.12** Describe the Vendor's process to set up new locations within the solution. Also include what is required to be provided by the STO to initiate onboarding processes.
- 4.3.5.13** Describe the fraud prevention tools offered for Card Present and Card Not Present transactions within the Vendor's solution.
- 4.3.5.14** Describe the Vendor's chargeback and retrieval request management solution/portal. The STO prefers an online based portal.
- 4.3.5.15** Describe the Vendor's methods of notification for chargebacks including support for an automated delivery of daily chargebacks received as well as automated response of retrieval requests and chargebacks as required in 4.4.3.15 and 4.4.3.16.
- 4.3.5.16** Describe the support the Vendor can provide in managing retrieval request fulfillment and chargeback disputes. Describe any differences in support offered to the STO and spending units.
- 4.3.5.17** Describe how the Vendor's solution supports the card brand claims resolution rules. Indicate if Vendor can support the ability to automatically acknowledge/accept a chargeback on the STO's or spending unit's behalf. The STO prefers the Vendor automatically acknowledge/accept a chargeback on the STO's or spending unit's behalf.
- 4.3.5.18** Vendor should describe the data available on chargeback detail provided. The STO prefers to receive MID, batch number, masked account number (first 6 last 4), transaction date and time, transaction amount, entry mode and the STO reference number when available.
- 4.3.5.19** Describe the timing by which the Vendor makes transaction level detail reporting available, as required in 4.4.2.13 and 4.4.3.18, and the options that exist to transmit this reporting to the STO. The STO prefers reports to be available no later than 6:00 a.m. ET (Eastern Time).
- 4.3.5.20** The STO prefers the Vendor solution provides capabilities and limitations for establishing and maintaining a reporting hierarchy (e.g. linking MIDs to spending units, spending units to the STO, etc.). Describe how this hierarchy is maintained.

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- 4.3.5.21** Vendor should provide samples of settlement and transactions reports available to STO. Indicate if the reports are daily, weekly, monthly, etc. The STO prefers the availability of daily reports.
- 4.3.5.22** The Vendor should describe the ability to provide the same reports to the spending units limited to their MIDs, with approval from the STO.
- 4.3.5.23** Describe how the Vendor solution supports exporting of reports and report data. Provide the formats that are available.
- 4.3.5.24** Describe how the Vendor solution supports the ability for the STO to define their own ad-hoc queries.
- 4.3.5.25** Describe the Vendor's standard data retention policy for transaction data. The STO prefers to have access to data for a minimum of 18 months.
- 4.3.5.26** Describe any tools and/or services available to STO to review transaction details as they relate to the interchange table. Please describe services and reporting available, but **do not** report costs in this section. Provide any cost on cost sheet.
- 4.3.5.27** Vendor should describe its Business Continuity environment and procedures (as required in 4.4.3.19).
- a. Vendor should describe the environment's ability to meet peak capacity when primary capacity has been impacted by an event, for the entire solution Vendor is proposing.
 - b. Vendor should describe the redundancy solution (hardware, software, and network) and business continuity procedures to guarantee uptime for the STO.
- 4.3.5.28** Vendor should describe the functionality to load balance and ensure high availability of data and system resources.
- 4.3.5.29** Vendor should describe any real-time (instantaneous) data replication services used.
- 4.3.5.30** Provide the uptime guaranteed in the Vendor's Service Level Agreement (SLA).
- 4.3.5.31** Provide the Vendor's percent uptime for each of the last 12 months. Describe any outages that lasted more than 5 minutes or state there were no outages more than 5 minutes over the last 12 months. The STO prefers a 99.95% or greater uptime.
- 4.3.5.32** Describe your account management structure, resources and processes supporting all phases of engagement (as required in 4.4.3.20). Provide each team member's normal hours of availability and if they would be dedicated to the STO and its spending units.

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The STO prefers one of our dedicated account representatives be available via phone 24/7.

- 4.3.5.33** The STO is expecting to award a contract pursuant to this RFP in March 2020. With that date in mind, please provide an implementation plan, which should include, at a minimum, the following:
- Approximate and/or actual dates
 - A description of the entire transition period including a set of tasks, objectives, outcomes, assumptions and timeframes with dependencies to transition work activities, processes, people, services, knowledge and documentation of the incumbent merchant services provider, the new merchant services provider and the STO.
 - The STO prefers an implementation that occurs in phases and is completed by fourth quarter 2020.
- 4.3.5.34** Describe the materials/signage/user guides the Vendor provides to spending unit locations. Vendor should indicate how the materials are available to spending units and how frequently each are updated.
- 4.3.5.35** Vendor should provide details about its transition and implementation team as follows:
- a. Implementation Project Lead/Project Manager: Identify the proposed project manager and the key staff who will oversee the implementation.
 - b. Other staff: Identify any other staffing needs not disclosed above.
- 4.3.5.36** The STO desires follow up training as needed. Vendor should describe and include a sufficient post-implementation training plan should it be needed for new State employees and spending units, or as a retraining tool for previously trained individuals.
- 4.3.5.37** Vendor should describe how it will manage and conduct regular meetings with the STO and other identified parties as requested. The Vendor's key staff should participate and provide status updates on the implementation activities and progress. The Vendor should provide an example implementation status report.
- 4.3.5.38** Describe the Vendor help desk support capabilities. Include the help desk support locations, hours and languages spoken and if dedicated help desk support will be provided to the STO. Indicate if the help desk support is different for CP and CNP transactions.
- 4.3.5.39** Describe the Vendor's service escalation policy and the communication methods for escalating issues.

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- 4.3.5.40 Describe how the Vendor would notify the STO of any scheduled or unscheduled system maintenance. The STO prefers to be proactively notified via email or phone call.
- 4.3.5.41 Describe the type of monitoring the Vendor performs to proactively notify STO of system outages or degradation and how this is communicated to the STO. The STO prefers to be proactively notified for any outages via email or phone call.
- 4.3.5.42 Describe how the Vendor handles the payment brand semi-annual mandates and how these changes are communicated to the STO.
- 4.3.5.43 Describe and explain any other products that the Vendor believes the STO may want to consider now or at some time in the future. If the Vendor has capabilities or modules currently in development, please briefly describe them.
- 4.3.5.44 Describe the training and documentation the Vendor provides to spending units on an ongoing basis. Vendor should indicate how this training is provided.

4.4 MANDATORY SPECIFICATIONS

The following mandatory requirements must be met by the Vendor as a part of the submitted proposal. Failure on the part of the Vendor to meet any of the mandatory specifications shall result in the disqualification of the proposal. The terms “must”, “will”, “shall”, “minimum”, “maximum”, or “is/are required” identify a mandatory item or factor. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the STO Purchasing Division. Vendors are to provide confirmation of the fulfillment of all Mandatory requirements as set forth on Attachment B, Mandatory Specification Checklist.

4.4.1 Card Not Present

- 4.4.1.1 Vendor must propose a single solution for card not present transactions (e.g. Gateway or direct connection to acquirer).
- 4.4.1.2 Vendor’s single solution must support the use of a user-defined field in the authorization and response message received for CNP transactions.
- 4.4.1.3 Vendor’s single solution must support the user-defined field referenced in 4.4.1.10 on the All Activity File at the acquirer level.
- 4.4.1.4 Vendor’s single solution must establish a single cutoff time to meet next day funding, as required in 4.4.3.9, for Visa, MC, and Discover.

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- 4.4.1.5** Vendor's single must provide a solution to remove PCI cardholder data that can be embedded in a STO-hosted web page other than a redirect.
- 4.4.1.6** Vendor's single must offer tokenization within the proposed solution for Card Not Present transactions.
- 4.4.1.7** Vendor's single solution must provide STO with transaction level detail reporting for all settled transactions, at least daily, for all channels, and reporting must include detail by batch and MID including the user-defined field. The user-defined field must appear on both the Gateway and All Activity File at the acquirer level.
- 4.4.1.8** Any hardware and software interaction between the Vendor and the STO must be compatible with the STO systems. All transmissions must be secure. The STO is currently running a Windows 2018 operating system. The Vendor must support communication with any currently released, supported version of Windows Server and must support future releases of Windows Server within 90 days of official release by Microsoft. The communication transports currently in use is TCP/IP. TCP/IP is the required transport protocol for Internet-based communication with vendor systems.
- 4.4.1.9** Vendor must maintain a QA environment to which the STO test environment can be connected in order to test STO software modifications and enhancements.

4.4.2 Card Present

- 4.4.2.1** Vendor solution must support EMV contact, EMV contactless, magnetic stripe (swipe), and keyed transactions entry methods.
- 4.4.2.2** Vendor must provide an EMV solution with Level 3 certification.
- 4.4.2.3** Vendor must establish a single cut-off time to meet next day funding, as required in 4.4.3.9, for Visa, MC, and Discover.
- 4.4.2.4** The Vendor must allow the spending units to perform an end of day batch close for Card Present transactions.
- 4.4.2.5** The Vendor must provide detailed transaction information such as date, amount, and merchant ID tied with each batch close through settlement.
- 4.4.2.6** Vendor solution must support encryption for Card Present transactions including a Payment Card Industry Security Standards Council validated P2PE solution.

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- 4.4.2.7** Vendors must provide payment terminals within the proposed solution to support the STO Card Present business.
- 4.4.2.8** Vendor must provide and support provisioning of new or replacement terminals and associated supplies to spending units accepting Card Present transactions.
- 4.4.2.9** Vendor must provide the following Card Present as it relates to card present transactions.
- Standard dial-up terminal
 - IP based terminal
 - Wi-Fi enabled terminal with cellular backup
 - Mobile card reader
 - Virtual terminal
 - Retail point of sale system
- 4.4.2.10** Vendor must offer both a P2PE and non-P2PE physical payment terminal.
- 4.4.2.11** Vendor payment terminal solutions must support only the display/transmit/printing of PCI-compliant data on customer copies of receipts.
- 4.4.2.12** Vendor solution must provide STO with transaction level detail reporting for all settled transactions, at least daily, for all channels, and reporting must include detail by batch and MID.
- 4.4.2.13** The Vendor must provide all training, documentation and customer support as needed for terminal deployment and maintenance by the STO and spending units that will ensure the efficient operation of terminals. Training must include all manuals, supplies, instruction sheets, personal instruction, etc.

4.4.3 General

- 4.4.3.1** The Vendor must be located within the United States of America and authorized to do business in and with the State of West Virginia.
- 4.4.3.2** The Vendor must meet all currently applicable Payment Card Industry Data Security Standards (PCIDSS) security requirements and any updates thereto, all as reflected at www.pcisecuritystandards.org.
- 4.4.3.3** Conversion planning must begin within 45 days of the contract award.
- 4.4.3.4** Vendor must propose a single acquiring platform solution to support processing Card Present and Card Not Present payment card authorizations.

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- 4.4.3.5** Vendor solution must support all sales, voids, credit/returns, refund messages and responses for PIN debit and credit transactions with Visa, MasterCard, Discover and American Express.
- 4.4.3.6** Vendor must have the ability to process Apple Pay and Google Pay through both Card Present and Card Not Present (in-app and web) channels.
- 4.4.3.7** Vendor must have the ability to invoice the STO the American Express transaction costs as pass-through cost.
- 4.4.3.8** Vendor must support the ability for the STO to charge service fees (assessed in accordance with payment brand rules and including the Visa Government and Higher Education Program) to be passed on to all customers, including those making in-person or card not present transactions of all payment methods. (E.g. Online through a gateway, phone, virtual terminal, or POS)
- 4.4.3.9** Vendor must be able to deposit transactions to the current STO banking services vendor within one business day after funds are settled at Acquirer.
- 4.4.3.10** *W.Va. Code §12-2-2* prohibits the offset of merchant discount fees against current revenue. **All fees will be paid in arrears, as required by State law.**
Vendor must pay each respective credit card company the merchant discount fees and then invoice according to the below:
- a. E-Gov and L-Gov:** Vendor will invoice **the STO** no more frequently than on a monthly basis for transaction fees and services related to E-Gov and L-Gov activity. Supporting documentation of all fees must accompany the invoice. The documentation should include, at a minimum, the MID, batch closes by card type, the amount, date and number of transactions in each batch. Invoices must be provided within 30 days of the previous month end.
 - b. Card Present:** Vendor will invoice **each spending unit** directly and no more frequently than on a monthly basis, for transaction fees and services related to Card Present transactions. Supporting documentation of all fees must accompany the invoice. The documentation should include, at a minimum, the MID, batch closes by card type, the amount, date and number of transactions in each batch.
 - c. Terminals:** Vendor must invoice each spending unit directly for all equipment, hardware and/or software purchased to accept credit card payments. Itemized documentation of each purchase must accompany the invoice.
- 4.4.3.11** The Vendor must deposit to three (3) separate demand deposit accounts (DDA), which will be in the name of the West Virginia State Treasurer. Account names will be as follows:

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State of West Virginia, Office of the State Treasurer, Credit Card Receipt

Account: This account will be used for the sole purpose of receiving credit card batch receipts initiated from a POS terminal (Card Present), and receiving items returned from those batches.

State of West Virginia, Office of the State Treasurer, E-Government Receipt

Account: This account will be maintained for the sole purpose of receiving funds from credit card payments that are processed over the Internet (E-Government), and receiving items returned from those transactions for state spending units.

State of West Virginia, Office of the State Treasurer, L-Government Receipt

Account: This account will be maintained for the sole purpose of receiving funds from credit card payments that are processed over the Internet and receiving items returned from those transactions for local governments (L-Government).

- 4.4.3.12 Vendor must provide the spending unit MID, name associated with each MID, and amounts within each deposit made to the DDA accounts listed above.
- 4.4.3.13 The Vendor must provide merchant card services that are billed through merchant discount rates. **Billing rates and methods can only be reflected on the Cost Proposal Form - do not include here.**
- 4.4.3.14 The Vendor must allow new Merchant Identification (MID's) accounts to be opened or MID accounts to be closed during the contract period only upon authorization of STO authorized personnel.
- 4.4.3.15 On the spending unit receipt accounts, the Vendor must notify the Spending unit of any cardholder disputed Credit Card Sales transactions within two (2) business days of the Vendor's receipt of the transaction.
- 4.4.3.16 On the E-Government receipt account, the Vendor must notify the STO of any cardholder disputed Credit Card Sales transactions within two (2) business days of the Vendor's receipt of the transaction.
- 4.4.3.17 Vendor must provide encryption technology that always meets the minimum requirements set forth by Payment Card Industry Security Standards Council.
- 4.4.3.18 Vendor solution must provide STO users with the use of an online reporting portal or similar tool to access transaction data.
- 4.4.3.19 Vendor must have a business continuity plan/capability that enables the STO to maintain daily operations in the event of a failure or catastrophe.

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4.4.3.20 The Vendor must provide dedicated, experienced staff who offer the following services:

- Support to the STO and the spending units.
- 24 hours a day, 7 days a week availability for problem resolution.
- Conduct quarterly account review meetings with the STO.
- Notify, educate and train the STO with respect to card brand rule changes as they arise.

4.4.3.21 The Vendor must receive approval from the STO before adding new or closing existing MIDs and/or terminal locations.

4.4.3.22 The STO must approve any logo or branding information the Vendor anticipates placing on the equipment used to provide the merchant card services to the STO.

4.4.4 Oral Presentation: The Agency has the option of requiring oral presentations of all Vendors participating in the RFP process. If this option is exercised, it would be listed in the Schedule of Events (Section 1.3) of this RFP. During oral presentations, Vendors may not alter or add to their submitted proposal, but only clarify information. A description of the materials and information to be presented, if applicable, is provided below:

4.4.4.1 Process: After evaluation of the Technical portions of the Proposals, the Evaluation Committee will determine if oral presentations are needed. If the Evaluation Committee decides to have oral presentations, Vendors that have met the mandatory requirements and the minimum acceptable score (MAS) will be invited to Charleston, West Virginia. The time, location and format of oral presentations will be provided at the time of scheduling.

4.4.4.2 Time Allotment: The Vendors will have up to three (3) hours to demonstrate their products and services and answer questions from the Evaluation Committee. Vendors must be prepared to answer questions regarding their proposals, demonstrate any software or other products and describe the services to be provided. Discussions about the financial institution should be minimal; the focus should be on the technical ability of the services being offered. Nothing presented may alter the contents of the written proposal.

4.4.4.3 Participants: Vendors may have up to three (3) persons at the oral presentations. The person who would be responsible for the STO's account must attend and participate in the presentation. All participants must be present; no teleconference presentations will be allowed or entertained.

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- 4.4.4.4 Proposal Submitted Not Subject to Change:** The STO will not receive information from any Vendor beyond that contained in its proposal.
- 4.4.4.5 Notification:** Vendors requested to make an oral presentation will be contacted by the STO Purchasing Division buyer to set a time for presentations. Vendors unable to make a presentation at the time set by the STO Purchasing Division buyer will have their proposals disqualified.
- 4.4.4.6 Presentations:** Vendor and STO personnel will communicate during presentations without being in violation of the quiet period requirement.

SECTION FIVE: VENDOR PROPOSAL

- 5.1 Economy of Preparation:** Proposals should be prepared simply and economically providing a straightforward, concise description of the Vendor's abilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of the content.
- 5.2 Incurring Cost:** Neither the State nor any of its employees or officers shall be held liable for any expenses incurred by any Vendor responding to this RFP, including but not limited to preparation, delivery, or travel.
- 5.3 Proposal Format:** Vendors should provide responses in the format listed below:
- 5.3.1 Two-Part Submission:** Vendors must submit proposals in two distinct parts: **technical and cost**. Technical proposals must not contain any cost information relating to the project. Cost proposal must contain all cost information and must be sealed in a separate envelope from the technical proposal to facilitate a secondary cost proposal opening.
- 5.3.2 Title Page:** State the RFP subject, solicitation number, Vendor's name, business address, telephone number, fax number, name of contact person, e-mail address, and Vendor signature and date.
- 5.3.3 Table of Contents:** Clearly identify the material by section and page number.
- 5.3.4 Response Reference:** Vendor's response should clearly reference how the information applies to the RFP request.
- Attachment A:** Complete **Attachment A: Vendor Response Sheet**. Vendor should provide responses to each question included on the Vendor Response Sheet and as detailed in Subsection 4.3 regarding the Technical Proposal.

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Also, the Vendor's responses should describe the approach and methodology proposed for this project. This should include how each of the goals and objectives listed is to be met. The project goals and objectives are to secure each of the Services identified and further detailed under Mandatory Requirements. Your RFP response should take into consideration the Mandatory Service Requirements and then should respond to each question included in the Vendor Response Sheet in Attachment A.

Attachment B: Complete **Attachment B: Mandatory Specification Checklist**. The Vendor acknowledges that they meet or exceed each of the Mandatory Specifications outlined in Subsection 4.4, including the Mandatory Scope of Work Requirements and the Mandatory Minimum Qualifications. The STO reserves the right to require documentation detailing how each is met at its discretion.

Attachment C: Complete **Attachment C: Cost Proposal Form** included in this RFP and submit in a **separate sealed envelope**. Cost should be clearly marked on the outside of the envelope. The Cost Proposal Form should be signed by a person authorized to bind the Vendor. Vendor must list ALL fees on the Cost Proposal. Vendor may only charge the cardholder those fees that are listed on the Cost Proposal.

Oral Presentations: If established by the STO in the Schedule of Events (Section 1.2), all Vendors participating in this RFP that have met the requirements specified in the RFP will be invited to provide an oral presentation, based on the criteria set in subsection 4.4.4. During oral presentations, Vendors may not alter or add to their submitted proposal, but only clarify information.

The designated STO Purchasing Division Buyer designee will contact qualifying Vendors to arrange for oral presentations. See Section Six (6) for more information about the evaluation process, including Oral Presentations.

5.4 Proposal Submission: Proposals must be submitted to the STO Purchasing Division **prior** to the date and time stipulated in the RFP as the opening date. All bids will be dated and time stamped to verify official time and date of receipt. Bids not received prior to the proposal opening date and time as required shall be immediately disqualified.

All submissions must be in accordance with the provisions listed in **Section 2: Instructions to Bidders Submitting Bids**. Responses shall be received in **two distinct parts**: technical and cost.

- **Technical proposals** will include Attachments A and B and **must not** contain any cost information relating to the project.
- **Cost proposal** will include Attachment C and shall be **sealed in a separate envelope** within the solicitation response package, and will not be opened initially. Vendor must list ALL fees as

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requested on the Cost Proposal. Upon contract award, Vendor may only charge those fees listed on the Cost Proposal.

Vendor is to provide **ONE (1) original Technical and ONE (1) original Cost Proposal.**

Vendor is to provide **EIGHT (8)** convenience copies of both Technical and Cost.

Vendor is requested to provide an exact copy of the Technical response on a diskette, DVD, CDROM, or USB flash drive in Adobe PDF or Microsoft Word searchable format with its proposal, or immediately upon request by the designated buyer/contact person named within the solicitation document.

SECTION SIX: EVALUATION AND AWARD

6.1 Evaluation Process: Proposals will be evaluated by a committee of three (3) or more individuals against the established criteria with points deducted for deficiencies. The first evaluation will be of the technical proposal, including oral presentations, if applicable, and the second is an evaluation of the cost proposal. The Vendor who demonstrates that it meets all of the mandatory specifications required; has appropriately presented within their written response and/or during the oral demonstration (if applicable) their understanding in meeting all the mandatory requirements, goals and objectives of the project; attains the minimum acceptable score; and attains the highest overall point score of all Vendors shall be recommended for the contract award. The STO reserves the right to contact any Vendor to clarify or elaborate on the proposal; no new or additional matter may be discussed. The selection of the successful Vendor will be made by a consensus of the evaluation committee.

6.2 Evaluation Criteria: Proposals will be evaluated based on criteria set forth in the solicitation and information contained in the proposals submitted in response to the solicitation. The technical evaluation will be based upon the point allocations designated below for a total of 490 of the 750 point total score. Cost represents 210 of the 750 total points.

The following are the evaluation factors and maximum points possible for technical point scores:

- | | |
|-------------------------------------|----------------------------|
| • Technical Proposal | 490 Points Possible |
| • Oral Presentation (if applicable) | 50 Points Possible |
| • Cost | <u>210 Points Possible</u> |

Total 750 Points Possible

6.3 Technical Bid Opening: The STO Purchasing Division will open and announce only the technical proposals received prior to the bid opening deadline. The technical proposals shall then be provided to the evaluation committee for technical evaluation.

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6.4 Technical Evaluation: The STO evaluation committee will review the technical proposals, deduct points where appropriate, and make a final written recommendation to the STO Purchasing Division.

6.4.1 Oral Presentations: If established by the STO in the Schedule of Events (Section 1.2), all Vendors participating in this RFP will be required to provide an oral presentation, based on the criteria set in Section 4.6. During oral presentations, Vendors may not alter or add to their submitted proposal, but only to clarify information.

6.5 Proposal Disqualification:

6.5.1 Minimum Acceptable Score (MAS): Vendors must score a minimum of 70% (343 points) of the total technical points possible in order to move past the technical evaluation and have their cost proposal evaluated. All Vendors not attaining the minimum acceptable score (MAS) shall be considered as non-qualifying and disqualified.

6.5.2 Failure to Meet Mandatory Requirement: Vendors must meet or exceed all mandatory requirements in order to move past the technical evaluation and have their cost proposals evaluated. Proposals failing to meet one or more mandatory requirements of the RFP will be disqualified.

6.6 Cost Bid Opening: The STO Purchasing Division will schedule a date and time to publicly open and announce **separately sealed** cost proposals after technical evaluation has been completed and the STO Purchasing Division has approved the technical recommendation of the evaluation committee. All cost bids received will be opened. Cost bids for disqualified proposals will be opened for record keeping purposes only and will not be evaluated or considered. Once opened, the cost proposals will be provided to the evaluation committee for cost evaluation.

6.7 Cost Evaluation: The STO evaluation committee will review the cost proposals, assign points in accordance with the cost evaluation formulation contained herein and make a final recommendation to the STO Purchasing Division.

Cost Evaluation Formula: Each cost proposal will have points assigned using the following formula for all Vendors not disqualified during the technical evaluation. The lowest cost of all proposals is divided by the cost of the proposal being evaluated to generate a cost score percentage. That percentage is then multiplied by the points attributable to the cost proposal to determine the number of points allocated to the cost proposal being evaluated.

Step 1: $\text{Lowest Cost of All Proposals} / \text{Cost of Proposal Being Evaluated} = \text{Cost Score Percentage}$

Step 2: $\text{Cost Score Percentage} \times \text{Points Allocated to Cost Proposal} = \text{Total Cost Score}$

6.8 Availability of Information: Proposal submissions become public and are available for review immediately after opening upon written request. All other information associated with the RFP,

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including but not limited to, technical scores and reasons for disqualification, will not be available until a *Notice to Intent to Award* has been issued, or upon Contract award.

SECTION SEVEN: VENDOR PROTESTS

7.1 Types of Protests

7.1.1 Protests of Requirements, Specifications or Terms

By issuing the RFP, the STO intends to encourage competition among eligible Vendors. Any protest, complaint or problem with the RFP, including any requirement, specification or term contained in the RFP or any combination thereof, must be filed in writing with the Deputy Treasurer of Purchasing no later than three (3) working days prior to the Proposal Opening Date specified in the RFP. Protests received after that date will not be considered.

7.1.2 Protests of Award

After selection of the apparent successful Vendor, the Deputy Treasurer of Purchasing, or other STO Purchasing Division designee, will send a written Notice to each Vendor regarding the award. Each Vendor will have until the date specified in the notice to file a written protest as to the award. Protests received after that date will not be considered.

7.2 Written Letter of Protest

The written letter of protest must contain the name and address of the protesting Vendor, the RFP number, a statement explaining why the protest has been filed, the relief sought, and any other information that may assist the Deputy Treasurer of Purchasing in reaching a decision on the matter. The Deputy Treasurer of Purchasing must receive the letter of protest by the appropriate deadline to be considered.

7.3 Review of Protest and Issuing Decision

The STO will review the letter of protest and issue a written decision. The STO may contact the protester or any other entity he or she considers necessary to reach a decision. Opening of the proposals, evaluation of the proposals or award of the purchase order may be delayed, as considered appropriate by the STO.

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ATTACHMENT A: VENDOR RESPONSE SHEET

Provide a response below for the following items contained in subsection 4.3 of the RFP.

4.3 Qualifications and Experience: Vendors should provide in **Attachment A: Vendor Response Sheet** information regarding their firm, such as staff qualifications and experience in completing similar projects; references; copies of any staff certifications or degrees applicable to this project; proposed staffing plan; descriptions of past projects completed entailing the location of the project, project manager name and contact information, type of project, and what the project goals and objectives were and how they were met.

4.3.1 Organizational Requirements: Vendor should provide an overview and history of its organization, including parent and/or subsidiary companies and the number of employees. Provide the address of the office location(s) that will service the STO.

Vendor Response:

4.3.1.1 Vendor should provide a copy of its two (2) most recent annual reports and audit opinions and evidence of a rating by a rating company.

Vendor Response:

4.3.1.2 Describe the Vendor's organizational structure and the physical locations of the merchant card processing functions.

Vendor Response:

4.3.1.3 Discuss how long the Vendor has been providing merchant card services.

Vendor Response:

4.3.1.4 Discuss the Vendor's staff and its experience with merchant card services. Please provide the resume or curriculum vitae of each staff member who will be working with the STO at all stages and levels of service required by this RFP.

Vendor Response:

4.3.1.5 Vendor should provide the names of at least three (3) but no more than five (5) clients that may be contacted as references for purposes of this RFP. Provide the name and telephone number of a contact person for each of the clients specified. At least one (1) of these clients must have operations of a similar size, complexity and nature as the

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STO based upon future projections as described in the overview, if available. All or none of these clients may be contacted by members of the STO Evaluation Committee to determine the ability of the Vendor and the level of satisfaction with the Vendor. The STO reserves the right to contact any person or entity it believes prudent in order to inquire about the Vendor.

Vendor Response:

4.3.2 Card Not Present Requirements

4.3.2.1 Vendor should identify their single solution as required in 4.4.1.1 (e.g. gateway or direct connection to acquirer).

Vendor Response:

4.3.2.2 Vendor should describe what other digital wallet options its single solution supports in addition to the mobile payment methods required in 4.4.3.6 and 4.4.1.1.

Vendor Response:

4.3.2.3 Vendor should describe its support offered for PayPal transaction processing for Card Not Present in the single solution required in 4.4.1.1.

Vendor Response:

4.3.2.4 Vendor should provide the number of user-defined fields available for use in the authorization and response message between E-Gov and your single solution required in 4.4.1.1, as well as any limitations of these fields (format, length) as required in 4.4.1.3. The STO prefers a minimum length of at least 16 characters. Indicate if these fields are used in reporting. Also indicate if the user-defined field is available on the All Activity File at the acquirer level. The STO prefers that the user-defined fields be available from the gateway report (if applicable) through to the acquirer All Activity File.

Vendor Response:

4.3.2.5 Vendor should describe how its single solution, as required in 4.4.1.1, supports the usage of AVS and CVV validations for Card Not Present transactions.

Vendor Response:

4.3.2.6 Vendor should describe their processing and settlement options as it relates to charging a customer a service fee and if this is supported using single and/or multiple transaction

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models as required in 4.4.3.8. The STO prefers vendor offers both single and multiple transaction models.

Vendor Response:

4.3.2.7 Vendor should describe the process to set up new locations within the single solution required in 4.4.1.1. Also include what is required to be provided by the STO to initiate onboarding processes.

Vendor Response:

4.3.2.8 Vendor should describe the recommended settlement design for both card present and card not present transactions. The STO prefers batch settlement for both card present and card not present.

Vendor Response:

4.3.2.9 Vendor should provide an example any forms required for setting up a new MID within the single solution required in 4.4.1.1.

Vendor Response:

4.3.2.10 Vendor should describe how its single solution required in 4.4.1.1 will remove PAN data from the STO environment as required in 4.4.1.5. The STO prefers an iframe or http post solution where the STO controls the initiation of client side tokenization.

Vendor Response:

4.3.2.11 Vendor should describe the tokenization solution offered through the single solution required in 4.4.1.1, including support for receipt and use of the token as the payment credential for sales and refunds as well as the formats supported as required in 4.4.1.6.

Vendor Response:

4.3.2.12 Vendor should describe how the Vendor's single solution, as required in 4.4.1.1, supports updating tokens to replace/update account information using an automated service.

Vendor Response:

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4.3.2.13 Vendor should describe the process utilized by its tokenization solution, discussed in 4.3.2.12, to convert historical STO card data on file.

Vendor Response:

4.3.2.14 Vendor should describe how its single solution required in 4.4.1.1 supports STO users to view and search for transaction data by the user-defined fields (as provided in the authorization request and response). Include in the description how the reporting solution supports this.

Vendor Response:

4.3.2.15 Vendor should describe the length of time in which refunds can be issued back against original transactions without having to provide card PAN data. The STO prefers the Vendor allow refunds against the original transaction for at least 18 months.

Vendor Response:

4.3.2.16 Vendor should describe the availability of the Vendor's single solution, required in 4.4.1.1, QA environment as required in 4.4.1.9. Provide details of any limitations on availability or transaction types.

Vendor Response:

4.3.2.17 Vendor should describe its plan to assist the State with testing the single solution as required in 4.4.1.1 with E-Gov. Vendor should include a description of all testing procedures.

Vendor Response:

4.3.2.18 Vendor should describe the options to configure the EOD cut-off on host-based capture and if this is configurable by the STO. The STO prefers the cut-off time is configurable by the STO.

Vendor Response:

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4.3.3 3rd Party Gateways

4.3.3.1 Vendor should provide the list of alternative payment gateway solutions that are currently certified to your processor other than the solution proposed in the 4.3.2.1. The STO prefers vendors with integration/certification with numerous payment gateways.

Vendor Response:

4.3.3.2 If the STO or a spending unit is connected to a Vendor's third party gateway, the STO prefers to have a direct contact at this gateway. Vendor should indicate the ability for this direct support to be set up with third party gateways the STO would connect with.

Vendor Response:

4.3.4 Card Present Technical Requirements

4.3.4.1 Vendor should provide a list of manufacturer and model for each payment terminal that would be available to the STO and the spending units as required in 4.4.2.10, along with the following information for each. The STO prefers a vendor with numerous payment terminal options, spending unit purchased or leased equipment, fixed and portable payment terminals and multiple communication options.

- Device description
- Physical specifications (device and screen size)
- Power options
- Key functionality
- Reset/reboot functionality
- Communication options (IP, Serial, USB, cellular)
- Indicate if each payment terminal is compliant with the various industry standards: PCI-PED, PTS, AEIPS, PA-DSS.
- Indicate if each payment terminal is certified with the PCI SSC
- If the device supports a PCI P2PE-validated solution
- Indicate all entry methods the device supports (e.g., insert swipe, EMV contactless, manual key, etc.)
- Indicate if payment terminal supports all ADA requirements for keys, visual and audio.
- Costs for equipment, leases, warranties and services must be indicated **on the Cost Proposal Form only**, and must be inclusive of all shipping, installation, travel and other related costs. Please do **NOT** provide cost in answer. Provide any cost on cost sheet.

Vendor Response:

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4.3.4.2 The spending units have approximately two hundred (200) locations that use PC software or virtual terminals rather than a POS card swipe terminal. Describe any software that the Vendor provides for this purpose and state the hardware or other requirements the STO would need in order to use this software.

Vendor Response:

4.3.4.3 Vendor should provide other mobile wallet options its terminal solutions support in addition to the mobile payment methods required in 4.4.3.6.

Vendor Response:

4.3.4.4 Describe how the Vendor solution supports EMV technical fallback from chip to magnetic stripe to keyed entry.

Vendor Response:

4.3.4.5 Vendor should describe its ability to support EBT transaction processing.

Vendor Response:

4.3.4.6 Vendor should describe if solution supports PIN entry bypass capability.

Vendor Response:

4.3.4.7 Vendor solution should support all Application IDs (AIDs) for the following payment brands: Visa, MasterCard, Amex, Discover, Diners, U.S. Common Debit, JCB and UnionPay. Describe the ability to support this. If there are any exceptions to supporting the AIDs indicated, indicate if there are plans to accept these in the future and the timing of each. The STO prefers all AIDs listed are supported.

Vendor Response:

4.3.4.8 The STO prefers the Vendor solution supports offline verification and offline authorization. Describe the ability to support this functionality.

Vendor Response:

4.3.4.9 Describe the process for updating payment terminals to support remote updates to the operating system, firmware, certificates, and encryption keys.

Vendor Response:

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4.3.4.10 Describe how Vendor payment terminals handle Time Out Reversals (TOR).

Vendor Response:

4.3.4.11 Describe how the Vendor solution supports the ability to receive end of day (EOD) or batch close messages from the payment terminals as required in 4.4.2.5. Please provide information on the capability to perform a manual batch close.

Vendor Response:

4.3.4.12 Describe the process to set up payment terminals with spending unit location information or Merchant IDs. Include if the process can be remotely executed.

Vendor Response:

4.3.4.13 Describe the Vendor's process to set up new locations within the solution. Also include what is required to be provided by the STO to initiate onboarding processes.

Vendor Response:

4.3.4.14 Vendor should provide their lead-time between a new spending unit location setup request and MID issuance.

Vendor Response:

4.3.4.15 Vendor should provide an example any forms required for setting up a new MID.

Vendor Response:

4.3.4.16 Describe how Vendor terminal solutions support a remote inventory management system that the STO or state spending units have access to, to obtain the necessary payment terminal data (e.g. serial number).

Vendor Response:

4.3.4.17 Vendor should indicate how the offered payment terminal solutions support the display/transmit/printing of additional metadata (transaction id, merchant id, and signature line) for store copies of receipts.

Vendor Response:

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4.3.4.18 Vendor should provide its ability to provide a closed loop stored value solution. The STO prefers Vendor be able to provide a closed loop stored value solution.

Vendor Response:

4.3.4.19 Describe the ability of Vendor terminals offered to white list and not encrypt only particular transactions based on particular card types such as stored value cards, EBT cards and any other non-PCI cards.

Vendor Response:

4.3.4.20 Based on the list of terminals and virtual terminals provided in Exhibit A, please indicate which ones the vendor can support. Indicate if each existing terminal can be updated with Vendor Pin-debit and payload encryption keys. Also, indicate which terminals or virtual terminal would need to be replaced. The STO prefers a vendor who can utilize most terminals already deployed in the field.

Vendor Response:

4.3.4.21 Spending units should have ability to easily "swap out" to replace devices in cases of equipment failure, changing the connection to another POS, etc. Describe the process to pair a new payment terminal device with the POS and configure for easy installation. Provide details on various options (if available) to simplify the pairing process for spending units.

Vendor Response:

4.3.4.22 Please provide any contracted third parties used to support terminal deployment, replacement or trouble shooting.

Vendor Response:

4.3.4.23 Provide the Vendor's warranty program for equipment proposed. The STO prefers at least a 1 year warranty for all equipment.

Vendor Response:

4.3.4.24 Describe how new or replacement equipment will be ordered by the spending units.

Vendor Response:

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4.3.4.25 Provide the Vendor's payment terminal break/fix replacement SLA.

Vendor Response:

4.3.4.26 Describe how the Vendor will utilize remote diagnostics to facilitate troubleshooting and issue resolution.

Vendor Response:

4.3.4.27 Provide the terminal-related materials that the Vendor provides to users as required in 4.4.2.14.

Vendor Response:

4.3.4.28 Describe the Vendor's PCI council validated point-to-point encryption solution as required in 4.4.2.7.

Vendor Response:

4.3.5 General Requirements - *These requirements may apply to both card present and card not present transactions.*

4.3.5.1 Vendor should provide their single acquiring platform solution as required in 4.4.3.4. Please describe any gateway, front end authorization and back end settlement platforms for this solution.

Vendor Response:

4.3.5.2 Vendor should describe how the solution supports dynamic currency conversion for international cards.

Vendor Response:

4.3.5.3 There are several spending units with a small volume of transactions. Describe the Vendor's ability to provide alternative merchant processing methods (e.g., verification by phone).

Vendor Response:

4.3.5.4 Describe the Vendor's controls in place to protect data integrity (i.e., ensuring that data is not lost or duplicated).

Vendor Response:

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4.3.5.5 State the Vendor's maximum authorization volume capacity on CP and CNP, including maximum number of items in a batch, maximum number of batches processed per day, and any other system limitations. Include the max tps on any platform including gateway, tokenization and authorization.

Vendor Response:

4.3.5.6 Vendor should outline the funding schedule and daily cutoff times for next day settlement and funding for each card type split between Card Present and Card Not Present (as required in 4.4.2.4). The STO prefers cutoff times be the same for all card brand types. The STO also prefers an 11:00pm EST, or later, cutoff time.

Vendor Response:

4.3.5.7 Vendor should describe the recommended settlement design for both card present and card not present transactions. The STO prefers batch settlement for both card present and card not present.

Vendor Response:

4.3.5.8 Provide the Vendor's settlement funding SLA. Indicate the percent of time the Vendor met this SLA for each of the last 12 months. The STO prefers 100% percentage rate.

Vendor Response:

4.3.5.9 Vendor should provide examples of the following invoices. The STO prefers invoices that include transaction data with breakdown of costs.

- Monthly STO invoice (E-Government/L-Government)
- Monthly fee breakdown monthly spending unit acquiring invoice (Card Present)
- Monthly spending unit terminal services invoice

Vendor Response:

4.3.5.10 Describe how Vendor proposes to handle funding processes including notification and ability to meet settlement deadlines as required in 4.4.2.4.

Vendor Response:

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4.3.5.11 Vendor should describe its ability to open and close seasonal MIDs (e.g. holiday, pop-up shop, farmers market). The STO prefers the Vendor support the ability to suspend activity and cost on these MIDs based on the discretion of the spending unit or STO. Please do **NOT** provide cost in answer. Provide any cost on cost sheet.

Vendor Response:

4.3.5.12 Describe the Vendor's process to set up new locations within the solution. Also include what is required to be provided by the STO to initiate onboarding processes.

Vendor Response:

4.3.5.13 Describe the fraud prevention tools offered for Card Present and Card Not Present transactions within the Vendor's solution.

Vendor Response:

4.3.5.14 Describe the Vendor's chargeback and retrieval request management solution/portal. The STO prefers an online based portal.

Vendor Response:

4.3.5.15 Describe the Vendor's methods of notification for chargebacks including support for an automated delivery of daily chargebacks received as well as automated response of retrieval requests and chargebacks as required in 4.4.3.15 and 4.4.3.16.

Vendor Response:

4.3.5.16 Describe the support the Vendor can provide in managing retrieval request fulfillment and chargeback disputes. Describe any differences in support offered to the STO and spending units.

Vendor Response:

4.3.5.17 Describe how the Vendor's solution supports the card brand claims resolution rules. Indicate if Vendor can support the ability to automatically acknowledge/accept a chargeback on the STO's or spending unit's behalf. The STO prefers the Vendor automatically acknowledge/accept a chargeback on the STO's or spending unit's behalf.

Vendor Response:

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4.3.5.18 Vendor should describe the data available on chargeback detail provided. The STO prefers to receive MID, batch number, masked account number (first 6 last 4), transaction date and time, transaction amount, entry mode and the STO reference number when available.

Vendor Response:

4.3.5.19 Describe the timing by which the Vendor makes transaction level detail reporting available, as required in 4.4.2.13 and 4.4.3.18, and the options that exist to transmit this reporting to the STO. The STO prefers reports to be available no later than 6:00 a.m. ET (Eastern Time).

Vendor Response:

4.3.5.20 The STO prefers the Vendor solution provides capabilities and limitations for establishing and maintaining a reporting hierarchy (e.g. linking MIDs to spending units, spending units to the STO, etc.). Describe how this hierarchy is maintained.

Vendor Response:

4.3.5.21 Vendor should provide samples of settlement and transactions reports available to STO. Indicate if the reports are daily, weekly, monthly, etc. The STO prefers the availability of daily reports.

Vendor Response:

4.3.5.22 The Vendor should describe the ability to provide the same reports to the spending units limited to their MIDs, with approval from the STO.

Vendor Response:

4.3.5.23 Describe how the Vendor solution supports exporting of reports and report data. Provide the formats that are available.

Vendor Response:

4.3.5.24 Describe how the Vendor solution supports the ability for the STO to define their own ad-hoc queries.

Vendor Response:

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4.3.5.25 Describe the Vendor's standard data retention policy for transaction data. The STO prefers to have access to data for a minimum of 18 months.

Vendor Response:

4.3.5.26 Describe any tools and/or services available to STO to review transaction details as they relate to the interchange table. Please describe services and reporting available, but **do not** report costs in this section. Provide any cost on cost sheet.

Vendor Response:

4.3.5.27 Vendor should describe its Business Continuity environment and procedures (as required in 4.4.3.19).

- a. Vendor should describe the environment's ability to meet peak capacity when primary capacity has been impacted by an event, for the entire solution Vendor is proposing.

Vendor Response:

- b. Vendor should describe the redundancy solution (hardware, software, and network) and business continuity procedures to guarantee uptime for the STO.

Vendor Response:

4.3.5.28 Vendor should describe the functionality to load balance and ensure high availability of data and system resources.

Vendor Response:

4.3.5.29 Vendor should describe any real-time (instantaneous) data replication services used.

Vendor Response:

4.3.5.30 Provide the uptime guaranteed in the Vendor's Service Level Agreement (SLA).

Vendor Response:

4.3.5.31 Provide the Vendor's percent uptime for each of the last 12 months. Describe any outages that lasted more than 5 minutes or state there were no outages more than 5 minutes over the last 12 months. The STO prefers a 99.95% or greater uptime.

Vendor Response:

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4.3.5.32 Describe your account management structure, resources and processes supporting all phases of engagement (as required in 4.4.3.20). Provide each team member's normal hours of availability and if they would be dedicated to the STO and its spending units. The STO prefers one of our dedicated account representatives be available via phone 24/7.

Vendor Response:

4.3.5.33 The STO is expecting to award a contract pursuant to this RFP in March 2020. With that date in mind, please provide an implementation plan, which should include, at a minimum, the following:

- Approximate and/or actual dates
- A description of the entire transition period including a set of tasks, objectives, outcomes, assumptions and timeframes with dependencies to transition work activities, processes, people, services, knowledge and documentation of the incumbent merchant services provider, the new merchant services provider and the STO.
- The STO prefers an implementation that occurs in phases and is completed by fourth quarter 2020.

Vendor Response:

4.3.5.34 Describe the materials/signage/user guides the Vendor provides to spending unit locations. Vendor should indicate how the materials are available to spending units and how frequently each are updated.

Vendor Response:

4.3.5.35 Vendor should provide details about its transition and implementation team as follows:

- a. Implementation Project Lead/Project Manager: Identify the proposed project manager and the key staff who will oversee the implementation.

Vendor Response:

- b. Other staff: Identify any other staffing needs not disclosed above.

Vendor Response:

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4.3.5.36 The STO desires follow up training as needed. Vendor should describe and include a sufficient post-implementation training plan should it be needed for new State employees and spending units, or as a retraining tool for previously trained individuals.

Vendor Response:

4.3.5.37 Vendor should describe how it will manage and conduct regular meetings with the STO and other identified parties as requested. The Vendor's key staff should participate and provide status updates on the implementation activities and progress. The Vendor should provide an example implementation status report.

Vendor Response:

4.3.5.38 Describe the Vendor help desk support capabilities. Include the help desk support locations, hours and languages spoken and if dedicated help desk support will be provided to the STO. Indicate if the help desk support is different for CP and CNP transactions.

Vendor Response:

4.3.5.39 Describe the Vendor's service escalation policy and the communication methods for escalating issues.

Vendor Response:

4.3.5.40 Describe how the Vendor would notify the STO of any scheduled or unscheduled system maintenance. The STO prefers to be proactively notified via email or phone call.

Vendor Response:

4.3.5.41 Describe the type of monitoring the Vendor performs to proactively notify STO of system outages or degradation and how this is communicated to the STO. The STO prefers to be proactively notified for any outages via email or phone call.

Vendor Response:

4.3.5.42 Describe how the Vendor handles the payment brand semi-annual mandates and how these changes are communicated to the STO.

Vendor Response:

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4.3.5.43 Describe and explain any other products that the Vendor believes the STO may want to consider now or at some time in the future. If the Vendor has capabilities or modules currently in development, please briefly describe them.

Vendor Response:

4.3.5.44 Describe the training and documentation the Vendor provides to spending units on an ongoing basis. Vendor should indicate how this training is provided.

Vendor Response:

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**ATTACHMENT B:
MANDATORY SPECIFICATION CHECKLIST**

Provide a response below for the following items contained in subsection 4.4 of the RFP.

*For each of the Mandatory Requirements, Vendor shall only answer **YES** or **NO**. Vendor shall not qualify or limit its response to any Mandatory Requirement. Any proposal that does not have a **YES** response to each and every Mandatory Requirement shall be disqualified.*

4.4 MANDATORY SPECIFICATIONS

The following mandatory requirements must be met by the Vendor as a part of the submitted proposal. Failure on the part of the Vendor to meet any of the mandatory specifications shall result in the disqualification of the proposal. The terms “must”, “will”, “shall”, “minimum”, “maximum”, or “is/are required” identify a mandatory item or factor. Decisions regarding compliance with any mandatory requirements shall be at the sole discretion of the STO Purchasing Division.

Vendors are to provide confirmation of the fulfillment of all Mandatory requirements as set forth on Attachment B, Mandatory Specification Checklist.

4.4.1 Card Not Present

4.4.1.1 Vendor must propose a single solution for card not present transactions (e.g. Gateway or direct connection to acquirer).

Vendor Response: YES / NO

4.4.1.2 Vendor’s single solution must support the use of a user-defined field in the authorization and response message received for CNP transactions.

Vendor Response: YES / NO

4.4.1.3 Vendor’s single solution must support the user-defined field referenced in 4.4.1.10 on the All Activity File at the acquirer level.

Vendor Response: YES / NO

4.4.1.4 Vendor’s single solution must establish a single cutoff time to meet next day funding, as required in 4.4.3.9, for Visa, MC, and Discover.

Vendor Response: YES / NO

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4.4.1.5 Vendor's single must provide a solution to remove PCI cardholder data that can be embedded in a STO-hosted web page other than a redirect.

Vendor Response: YES / NO

4.4.1.6 Vendor's single must offer tokenization within the proposed solution for Card Not Present transactions.

Vendor Response: YES / NO

4.4.1.7 Vendor's single solution must provide STO with transaction level detail reporting for all settled transactions, at least daily, for all channels, and reporting must include detail by batch and MID including the user-defined field. The user-defined field must appear on both the Gateway and All Activity File at the acquirer level.

Vendor Response: YES / NO

4.4.1.8 Any hardware and software interaction between the Vendor and the STO must be compatible with the STO systems. All transmissions must be secure. The STO is currently running a Windows 2018 operating system. The Vendor must support communication with any currently released, supported version of Windows Server and must support future releases of Windows Server within 90 days of official release by Microsoft. The communication transports currently in use is TCP/IP. TCP/IP is the required transport protocol for Internet-based communication with vendor systems.

Vendor Response: YES / NO

4.4.1.9 Vendor must maintain a QA environment to which the STO test environment can be connected in order to test STO software modifications and enhancements.

Vendor Response: YES / NO

4.4.2 Card Present

4.4.2.1 Vendor solution must support EMV contact, EMV contactless, magnetic stripe (swipe), and keyed transactions entry methods.

Vendor Response: YES / NO

4.4.2.2 Vendor must provide an EMV solution with Level 3 certification.

Vendor Response: YES / NO

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4.4.2.3 Vendor must establish a single cut-off time to meet next day funding, as required in 4.4.3.9, for Visa, MC, and Discover.

Vendor Response: YES / NO

4.4.2.4 The Vendor must allow the spending units to perform an end of day batch close for Card Present transactions.

Vendor Response: YES / NO

4.4.2.5 The Vendor must provide detailed transaction information such as date, amount, and merchant ID tied with each batch close through settlement.

Vendor Response: YES / NO

4.4.2.6 Vendor solution must support encryption for Card Present transactions including a Payment Card Industry Security Standards Council validated P2PE solution.

Vendor Response: YES / NO

4.4.2.7 Vendors must provide payment terminals within the proposed solution to support the STO Card Present business.

Vendor Response: YES / NO

4.4.2.8 Vendor must provide and support provisioning of new or replacement terminals and associated supplies to spending units accepting Card Present transactions.

Vendor Response: YES / NO

4.4.2.9 Vendor must provide the following Card Present as it relates to card present transactions.

- Standard dial-up terminal
- IP based terminal
- Wi-Fi enabled terminal with cellular backup
- Mobile card reader
- Virtual terminal
- Retail point of sale system

Vendor Response: YES / NO

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4.4.2.10 Vendor must offer both a P2PE and non-P2PE physical payment terminal.

Vendor Response: YES / NO

4.4.2.11 Vendor payment terminal solutions must support only the display/transmit/printing of PCI-compliant data on customer copies of receipts.

Vendor Response: YES / NO

4.4.2.12 Vendor solution must provide STO with transaction level detail reporting for all settled transactions, at least daily, for all channels, and reporting must include detail by batch and MID.

Vendor Response: YES / NO

4.4.2.13 The Vendor must provide all training, documentation and customer support as needed for terminal deployment and maintenance by the STO and spending units that will ensure the efficient operation of terminals. Training must include all manuals, supplies, instruction sheets, personal instruction, etc.

Vendor Response: YES / NO

4.4.3 General

4.4.3.1 The Vendor must be located within the United States of America and authorized to do business in and with the State of West Virginia.

Vendor Response: YES / NO

4.4.3.2 The Vendor must meet all currently applicable Payment Card Industry Data Security Standards (PCIDSS) security requirements and any updates thereto, all as reflected at www.pcisecuritystandards.org.

Vendor Response: YES / NO

4.4.3.3 Conversion planning must begin within 45 days of the contract award.

Vendor Response: YES / NO

4.4.3.4 Vendor must propose a single acquiring platform solution to support processing Card Present and Card Not Present payment card authorizations.

Vendor Response: YES / NO

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4.4.3.5 Vendor solution must support all sales, voids, credit/returns, refund messages and responses for PIN debit and credit transactions with Visa, MasterCard, Discover and American Express.

Vendor Response: YES / NO

4.4.3.6 Vendor must have the ability to process Apple Pay and Google Pay through both Card Present and Card Not Present (in-app and web) channels.

Vendor Response: YES / NO

4.4.3.7 Vendor must have the ability to invoice the STO the American Express transaction costs as pass-through cost.

Vendor Response: YES / NO

4.4.3.8 Vendor must support the ability for the STO to charge service fees (assessed in accordance with payment brand rules and including the Visa Government and Higher Education Program) to be passed on to all customers, including those making in-person or card not present transactions of all payment methods. (E.g. Online through a gateway, phone, virtual terminal, or POS)

Vendor Response: YES / NO

4.4.3.9 Vendor must be able to deposit transactions to the current STO banking services vendor within one business day after funds are settled at Acquirer.

Vendor Response: YES / NO

4.4.3.10 *W.Va. Code §12-2-2* prohibits the offset of merchant discount fees against current revenue. **All fees will be paid in arrears, as required by State law.** Vendor must pay each respective credit card company the merchant discount fees and then invoice according to the below:

- a. E-Gov and L-Gov:** Vendor will invoice **the STO** no more frequently than on a monthly basis for transaction fees and services related to E-Gov and L-Gov activity. Supporting documentation of all fees must accompany the invoice. The documentation should include, at a minimum, the MID, batch closes by card type, the amount, date and number of transactions in each batch. Invoices must be provided within 30 days of the previous month end.

Vendor Response: YES / NO

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- b. **Card Present:** Vendor will invoice **each spending unit** directly and no more frequently than on a monthly basis, for transaction fees and services related to Card Present transactions. Supporting documentation of all fees must accompany the invoice. The documentation should include, at a minimum, the MID, batch closes by card type, the amount, date and number of transactions in each batch.

Vendor Response: YES / NO

- c. **Terminals:** Vendor must invoice each spending unit directly for all equipment, hardware and/or software purchased to accept credit card payments. Itemized documentation of each purchase must accompany the invoice.

Vendor Response: YES / NO

- 4.4.3.11 The Vendor must deposit to three (3) separate demand deposit accounts (DDA), which will be in the name of the West Virginia State Treasurer. Account names will be as follows:

State of West Virginia, Office of the State Treasurer, Credit Card Receipt Account: This account will be used for the sole purpose of receiving credit card batch receipts initiated from a POS terminal (Card Present), and receiving items returned from those batches.

State of West Virginia, Office of the State Treasurer, E-Government Receipt Account: This account will be maintained for the sole purpose of receiving funds from credit card payments that are processed over the Internet (E-Government), and receiving items returned from those transactions for state spending units.

State of West Virginia, Office of the State Treasurer, L-Government Receipt Account: This account will be maintained for the sole purpose of receiving funds from credit card payments that are processed over the Internet and receiving items returned from those transactions for local governments (L-Government).

Vendor Response: YES / NO

- 4.4.3.12 Vendor must provide the spending unit MID, name associated with each MID, and amounts within each deposit made to the DDA accounts listed above.

Vendor Response: YES / NO

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4.4.3.13 The Vendor must provide merchant card services that are billed through merchant discount rates. **Billing rates and methods can only be reflected on the Cost Proposal Form - do not include here.**

Vendor Response: YES / NO

4.4.3.14 The Vendor must allow new Merchant Identification (MID's) accounts to be opened or MID accounts to be closed during the contract period only upon authorization of STO authorized personnel.

Vendor Response: YES / NO

4.4.3.15 On the spending unit receipt accounts, the Vendor must notify the Spending unit of any cardholder disputed Credit Card Sales transactions within two (2) business days of the Vendor's receipt of the transaction.

Vendor Response: YES / NO

4.4.3.16 On the E-Government receipt account, the Vendor must notify the STO of any cardholder disputed Credit Card Sales transactions within two (2) business days of the Vendor's receipt of the transaction.

Vendor Response: YES / NO

4.4.3.17 Vendor must provide encryption technology that always meets the minimum requirements set forth by Payment Card Industry Security Standards Council.

Vendor Response: YES / NO

4.4.3.18 Vendor solution must provide STO users with the use of an online reporting portal or similar tool to access transaction data.

Vendor Response: YES / NO

4.4.3.19 Vendor must have a business continuity plan/capability that enables the STO to maintain daily operations in the event of a failure or catastrophe.

Vendor Response: YES / NO

4.4.3.20 The Vendor must provide dedicated, experienced staff who offer the following services:

- Support to the STO and the spending units.
- 24 hours a day, 7 days a week availability for problem resolution.

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- Conduct quarterly account review meetings with the STO.
- Notify, educate and train the STO with respect to card brand rule changes as they arise.

Vendor Response: YES / NO

4.4.3.21 The Vendor must receive approval from the STO before adding new or closing existing MIDs and/or terminal locations.

Vendor Response: YES / NO

4.4.3.22 The STO must approve any logo or branding information the Vendor anticipates placing on the equipment used to provide the merchant card services to the STO.

Vendor Response: YES / NO

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ATTACHMENT C: COST PROPOSAL FORM

Vendor Name: _____

Vendor must complete this Cost Proposal Form and submit it in a separate, sealed envelope, marked "Cost Proposal" with its Proposal. Include a complete listing of all fees, charges and costs to provide the Services, and state the per-transaction fee or charge and the annual fee or charge, if any, for each. The hourly rates, and all-inclusive maximum prices quoted, shall remain fixed for the initial term of the contract. Prices shall include all shipping, travel, lodging, meals and other related costs, payable in arrears. Please complete each category; if Vendor does not intend to designate a fee for a specific item, mark it as "zero" cost. Shaded areas are not intended to be completed.

Vendor understands that all Services will be provided and billed for based upon actual quantities used. The quantities provided are general estimates only and shall only be used for evaluation purposes. Vendor hereby proposes to provide the basic Services as anticipated below.

Service	Estimated Annual Volume		Proposed Cost		Annual Cost (Count x Unit Rate or % Rate)
	Count	Amount	Unit Rate	% Rate	
Merchant Discount Rate					
Visa	2,200,000	\$260,000,000			
MasterCard	850,000				
Discover (including Diners & JCB)	120,000				
PIN Debit	1,000				
American Express (Separate contract maintained)	125,000	\$27,000,000			
Voice Authorization	100				
ARU Authorization	100				
Interchange and other Card Brand Fees			Include in Discount Above		

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Gateway Fees					
Per Transaction	1,100,000				
One Time Setup	1				
Virtual Terminal - per terminal fee	300				
Encryption and Tokenization					
Transaction cost for encryption - Card Present	2,200,000				
Transaction cost for tokenization - Card Not Present	1,100,000				
Transaction cost to service remove PCI data from STO-hosted web page for Card Not Present	1,100,000				
One-time Implementation costs	200				
Cost to Convert Tokens to/from Solution	50				
Cardholder Disputes	500				
Reporting					
One-time Setup	1				
Monthly User Fees - per user/MID	30				
Other Fees					
Statement Fees	3				
Wire Transfer (1 day funding)	250				
Fees not covered elsewhere (please list in detail)					
Gift Card Fees					
Transaction Fees (loads, reloads, redemptions, inquiries)	50				
Monthly Fees	1				
Set-up Fee	10				
Card Production	100				

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Gift Card Reporting	1			
Initial / One-Time Implementation Costs				
Please list and describe in full all one-time implementation costs STO may incur that are not identified elsewhere. <i>*Please do NOT include any one-time terminal replacement costs here.</i>				
Rebates / Special Pricing				
Please identify any rebates, incentives or special pricing available to STO				
GRAND TOTAL:				

Base Cost evaluation will include only the items above for the **Total Annual Cost**. Desirable items below may or may not be purchased in the future.

Fraud Management - Card Not Present				
Set-up Fee				
Per Item Fee				
Other/Misc.				
Other Fees				
PCI Compliance Fees (Monthly)	12			
PCI Non-Compliance Fees (Monthly)	12			

	Terminal 1	Terminal 2	Terminal 3	Terminal 4	Terminal 5
Terminal Type	Name	Name	Name	Name	Name
Payment Terminal Initial Cost - New					
Payment Terminal Initial Cost - Refurbished					
Payment Terminal Initial Cost - Monthly Rental					
PIN Pad for Terminal					
Payment Terminal Maintenance or Warranty Cost					
Payment Terminal Supplies (cables, stands, batteries, etc.)					
Payment Terminal Software Load & Setup					
Payment Terminal Encryption Key Injection					

REQUEST FOR PROPOSAL

West Virginia State Treasurer's Office
Merchant Payment Processing Services
ARFP STO2000000001

Payment Terminal Replacement Cost					
Printer					
Card Reader					
Fees not identified elsewhere					

Vendor hereby covenants, agrees and acknowledges that Vendor will provide the Services specified in the RFP and contained in its Technical Proposal for the amount(s) proposed on this Cost Proposal Form and that the person signing this Cost Proposal Form has authority to bind the Vendor.

Printed Name _____ Authorized Signature _____

REQUEST FOR PROPOSAL
 West Virginia State Treasurer's Office
 Merchant Payment Processing Services
 ARFP STO2000000001

EXHIBIT A—CURRENT TERMINAL COUNT

Please note: The following listing of terminals contains information currently known by the STO.

POS - Standalone Terminals	
iCT220	48
VX520	136
iWL255 (Cellular)	9
Vx570	7
Vx805 PIN pad (can be connected to Global or Vx520)	31
Secure Key M130 PIN Pad (TrustCommerce/DMV)	286
Magtek PIN Pad (TrustCommerce/Magistrate)	110
SwipeSimple	7
SwipeSimple Card Readers - B250	7
FreedomPay iWL252 (P2PE)	8
Virtual Terminals	
Global	53
TrustCommerce	190
Auth.Net	6
FreedomPay FreeWay VT (P2PE)	32
3rd Party Gateways (some of the below may have terminals provided by the 3rd party)	
Shift4	115
Sequoia	4
DataCap	1
Payware Transact	1
Cybersource	5
Ellucian	1
Blackboard	1
Merchant Link	1
Nelnet	1
Tenerum	2
Fusion	1
Resort Data	1
CBORD	1
TouchNet	1

GENERAL TERMS AND CONDITIONS
West Virginia State Treasurer's Office

1. **CONTRACTUAL AGREEMENT:** Issuance of an Award Document signed by the Treasurer, or his designee, and approved as to form by the Agency's Counsel constitutes acceptance of this Contract made by and between the State of West Virginia, WV State Treasurer's Office ("STO") and the Vendor. Vendor's signature on its bid signifies Vendor's agreement to be bound by and accept the terms and conditions contained in this Contract.

2. **DEFINITIONS:** As used in this Solicitation/Contract, the following terms shall have the meanings attributed to them below. Additional definitions may be found in the specifications included with this Solicitation/Contract.
 - 2.1. **"Agency"** means the West Virginia State Treasurer's Office ("STO").
 - 2.2. **"Bid"** or **"Proposal"** means the vendors submitted response to this solicitation
 - 2.3. **"Contract"** means the binding agreement that is entered into between the State and the Vendor to provide the goods or services requested in the Solicitation.
 - 2.4. **"Director"** means the Deputy Treasurer of STO Purchasing/Director of STO Purchasing Division
 - 2.5. **"Award Document"** means the document issued by the Agency that identifies the Vendor as the contract holder.
 - 2.6. **"Solicitation"** means the official notice of an opportunity to supply the State with goods or services that is published by the STO Purchasing Division.
 - 2.7. **"Vendor"** or **"Vendors"** means any entity submitting a bid in response to the Solicitation, the entity that has been selected as the lowest responsible bidder, or the entity that has been awarded the Contract as context requires.
 - 2.8. **"Exempt"** means the solicitation/purchase is exempt from the requirements of the West Virginia Dept. of Administration - Purchasing Division.
 - 2.9. **"Vendor"** or **"Vendors"** means any entity submitting a bid in response to the Solicitation, the entity that has been selected as the lowest responsible bidder, or the entity that has been awarded the Contract as context requires.

3. **CONTRACT TERM; RENEWAL; EXTENSION:** The term of this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below:

[] **Term Contract**

Initial Contract Term: This Contract becomes effective on _____ and extends for a period of ____year(s).

Renewal Term: This Contract may be renewed upon the mutual written consent of the Agency and the Vendor. A request for Contract renewal should be submitted to the STO Purchasing Division thirty (30) days prior to the expiration date of the initial contract term or appropriate renewal term. A Contract renewal shall be in accordance with the terms and conditions of the original contract.

Unless otherwise specified below, Renewal of this Contract is limited to _____(____) successive one (1) year periods or multiple renewal periods of less than one year, provided that the multiple renewal periods do not exceed the total number of months available in all renewal years combined. Automatic renewal of this Contract is prohibited.

[] **Alternate Renewal Term** – This contract may be renewed for _____ successive _____ year periods or shorter periods provided that they do not exceed the total number of months contained in all available renewals. **Automatic renewal of this Contract is prohibited.** Renewals must be approved by the Agency and the Vendor.

Delivery Order Limitations: In the event that this contract permits delivery orders, a delivery order may only be issued during the time this Contract is in effect. Any delivery order issued within one year of the expiration of this Contract shall be effective for one year from the date the delivery order is issued. No delivery order may be extended beyond one year after this Contract has expired.

[] **Fixed Period Contract:** This Contract becomes effective upon Vendor’s receipt of the notice to proceed and must be completed within _____ days.

[] **Fixed Period Contract with Renewals:** This Contract becomes effective upon Vendor’s receipt of the notice to proceed and part of the Contract more fully described in the attached specifications must be completed within _____ days.

Upon completion, the vendor agrees that maintenance, monitoring, or warranty services will be provided for one year thereafter with an additional _____ successive one-year renewal periods or multiple renewal periods of less than one year provided that the multiple renewal periods do not exceed _____ months in total. Automatic renewal of this Contract is prohibited.

[] **One Time Purchase:** The term of this Contract shall run from the issuance of the Award Document until all of the goods contracted for have been delivered, but in no event will this Contract extend for more than one fiscal year.

[] **Other:** See attached.

4. **NOTICE TO PROCEED:** Vendor shall begin performance of this Contract immediately upon receiving notice to proceed unless otherwise instructed by the Agency. Unless otherwise specified, the fully executed Award Document/Purchase Order will be considered notice to proceed.
5. **QUANTITIES:** The quantities required under this Contract shall be determined in accordance with the category that has been identified as applicable to this Contract below.
- [] **Open End Contract:** Quantities listed in this Solicitation are approximations only, based on estimates supplied by the Agency. It is understood and agreed that the Contract shall cover the quantities actually ordered for delivery during the term of the Contract, whether more or less than the quantities shown.
- [] **Service:** The scope of the service to be provided will be more clearly defined in the specifications included herewith.
- [] **Combined Service and Goods:** The scope of the service and deliverable goods to be provided will be more clearly defined in the specifications included herewith.
- [] **One Time Purchase:** This Contract is for the purchase of a set quantity of goods that are identified in the specifications included herewith. Once those items have been delivered, no additional goods may be procured under this Contract without an appropriate change order approved by the Vendor and Agency.
6. **EMERGENCY PURCHASES:** The STO Deputy Treasurer of Purchasing, or their designee, may authorize the purchase of goods or services in the open market that Vendor would otherwise provide under this Contract if those goods or services are for immediate or expedited delivery in an emergency. Emergencies shall include, but are not limited to, delays in transportation or an unanticipated increase in the volume of work. An emergency purchase in the open market, approved by the STO Deputy Treasurer of Purchasing, or their designee, shall not constitute a breach of this Contract and shall not entitle the Vendor to any form of compensation or damages. This provision does not excuse the STO from filling its obligations under a One Time Purchase contract.
7. **REQUIRED DOCUMENTS:** All of the items checked below must be provided to the STO Purchasing Division by the Vendor as specified below.
- [] **BID BOND (Construction Only):** Pursuant to the requirements contained in W.Va. § Code 5-22-1(c), all Vendors submitting a bid on a construction project shall furnish a valid bid bond in the amount of five percent (5%) of the total amount of the bid protecting the State of West Virginia/STO. The bid bond must be submitted with the bid.
- [] **PERFORMANCE BOND:** The apparent successful Vendor shall provide a performance bond in the amount of _____. The performance bond must be received by the STO Purchasing Division prior to Contract award. On construction contracts, the performance bond must be 100% of the Contract value.

LABOR/MATERIAL PAYMENT BOND: The apparent successful Vendor shall provide a labor/material payment bond in the amount of 100% of the Contract value. The labor/material payment bond must be delivered to the STO Purchasing Division prior to Contract award.

In lieu of the Bid Bond, Performance Bond, and Labor/Material Payment Bond, the Vendor may provide certified checks, cashier's checks, or irrevocable letters of credit. Any certified check, cashier's check, or irrevocable letter of credit provided in lieu of a bond must be of the same amount and delivered on the same schedule as the bond it replaces. A letter of credit submitted in lieu of a performance and labor/material payment bond will only be allowed for projects under \$100,000. Personal or business checks are not acceptable. Notwithstanding the foregoing, W.Va. Code § 5-22-1 (d) mandates that a vendor provide a performance and labor/material payment bond for construction projects. Accordingly, substitutions for the performance and labor/material payment bonds for construction projects is not permitted

LICENSE(S) / CERTIFICATIONS / PERMITS: In addition to anything required under the Section entitled Licensing, of the General Terms and Conditions, the apparent successful Vendor shall furnish proof of the following licenses, certifications, and/or permits prior to Contract award, in a form acceptable to the STO Purchasing Division.

The apparent successful Vendor shall also furnish proof of any additional licenses or certifications contained in the Specifications prior to Contract award regardless of whether or not that requirement is listed above.

8. INSURANCE: The apparent successful Vendor shall furnish proof of the insurance identified by a checkmark below and must include the State as an additional insured on each policy prior to Contract award. The insurance coverages identified below must be maintained throughout the life of the contract. Thirty (30) days prior to the expiration of the insurance policies, Vendor shall provide the Agency with proof that the insurance mandated herein has been continued. Vendor must also provide Agency with the immediately notice of any changes in its insurance policies, including but not limited to, policy cancelation, policy reduction, or change in insurers. The apparent successful Vendor shall also furnish proof of any additional insurance requirements contained in the specifications prior to Contract award regardless of whether or not that insurance requirement is listed in this section.

Vendor must maintain:

Commercial General Liability Insurance in at least an amount of: _____ per occurrence.

Automobile Liability Insurance in at least an amount of: _____ per occurrence.

Professional/Malpractice/Errors and Omission Insurance in at least an amount of:
_____per occurrence.

Commercial Crime and Third Party Fidelity Insurance in at least an amount of:
_____per occurrence.

Cyber Liability Insurance in at least an amount of: _____per occurrence.

Builders Risk Insurance in an amount equal to 100% of the amount of the Contract.

Pollution Insurance in an amount of: _____per occurrence.

Aircraft Liability in an amount of: _____ per occurrence.

Notwithstanding anything contained in this section to the contrary, the STO Deputy Treasurer of Purchasing reserves the right to waive the requirement that the STO be named as an additional insured on one or more of the Vendor's insurance policies if he/she finds that doing so is in the STO's best interest.

9. WORKERS' COMPENSATION INSURANCE: The apparent successful Vendor shall comply with laws relating to workers compensation, shall maintain workers' compensation insurance when required, and shall furnish proof of workers' compensation insurance upon request.

10. LIQUIDATED DAMAGES: Vendor shall pay liquidated damages in the amount of _____for _____.
This clause shall in no way be considered exclusive and shall not limit the Agency's right to pursue any other available remedy.

Liquidated Damages Contained in the Specifications

11. ACCEPTANCE: Vendor's signature on its bid, or on the certification and signature page, constitutes an offer to the STO that cannot be unilaterally withdrawn, signifies that the product or service proposed by Vendor meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise indicated, and signifies acceptance of the terms and conditions contained in Solicitation unless otherwise indicated.

12. PRICING: The pricing set forth herein is firm for the life of the Contract, unless specified elsewhere within this Solicitation/Contract by the STO. A Vendor's inclusion of price adjustment provisions in its bid, without express authorization from the STO in the Solicitation to do so, may result in bid disqualification.

- 13. PAYMENT IN ARREARS:** Payment in advance is prohibited under this Contract. Payment may only be made after the delivery and acceptance of goods or services. The Vendor shall submit itemized invoices, in arrears.
- 14. PAYMENT METHODS:** Vendor must accept payment by electronic funds transfer and/or a State issued credit card, also known as P-Card. (The State of West Virginia's Purchasing Card program, administered under contract by a banking institution, processes payment for goods and services through state designated credit cards)
- 15. TAXES:** The Vendor shall pay any applicable sales, use, personal property or any other taxes arising out of this Contract and the transactions contemplated thereby. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
- 16. ADDITIONAL FEES:** Vendor is not permitted to charge additional fees or assess additional charges that were not either expressly provided for in the solicitation published by the State Treasurer's Office or included in the unit price or lump sum bid amount that Vendor is required by the solicitation to provide. Including such fees or charges as notes to the solicitation may result in rejection of vendor's bid. Requesting such fees or charges be paid after the contract has been awarded may result in cancellation of the contract.
- 17. FUNDING:** This Contract shall continue for the term stated herein, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise made available, this Contract becomes void and of no effect beginning on July 1 of the fiscal year for which funding has not been appropriated or otherwise made available.
- 18. CANCELLATION:** The STO Deputy Treasurer of Purchasing Division reserves the right to cancel this Contract immediately upon written notice to the vendor if the materials or workmanship supplied do not conform to the specifications contained in the Contract. The STO Deputy Treasurer of Purchasing Division may also cancel any purchase order or Contract upon 30 days written notice to the Vendor.
- 19. TIME:** Time is of the essence with regard to all matters of time and performance in this Contract.
- 20. APPLICABLE LAW:** This Contract is governed by and interpreted under West Virginia law without giving effect to its choice of law principles. Any information provided in specification manuals, or any other source, verbal or written, which contradicts or violates the West Virginia Constitution, West Virginia Code or West Virginia Code of State Rules is void and of no effect.
- 21. COMPLIANCE WITH LAWS:** Vendor shall comply with all applicable federal, state, and local laws, regulations and ordinances. By submitting a bid, Vendor acknowledges that it has reviewed, understands, and will comply with all applicable law.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to

comply with all applicable laws, regulations, and ordinances. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

22. **ARBITRATION:** Any references made to arbitration contained in this Contract, Vendor's bid, or in any American Institute of Architects documents pertaining to this Contract are hereby deleted, void, and of no effect.
23. **MODIFICATIONS:** This writing is the parties' final expression of intent. Notwithstanding anything contained in this Contract to the contrary, no modification of this Contract shall be binding without mutual written consent of the Agency and the Vendor. Any change to existing contracts that adds work or changes contract cost, and were not included in the original contract, must be approved by the STO Purchasing Division and/or Agency's Counsel as to form prior to the implementation of the change or commencement of work affected by the change. No Change shall be implemented by the Vendor until such time as the Vendor receives an approved written change order from the STO Purchasing Division.
24. **WAIVER:** The failure of either party to insist upon a strict performance of any of the terms or provision of this Contract, or to exercise any option, right, or remedy herein contained, shall not be construed as a waiver or a relinquishment for the future of such term, provision, option, right, or remedy, but the same shall continue in full force and effect. Any waiver must be expressly stated in writing and signed by the waiving party.
25. **SUBSEQUENT FORMS:** The terms and conditions contained in this Contract shall supersede any and all subsequent terms and conditions which may appear on any form documents submitted by the Vendor to the Agency such as price lists, order forms, invoices, sales agreements, or maintenance agreements, and includes internet websites or other electronic documents. Acceptance or use of Vendor's forms does not constitute acceptance of the terms and conditions contained thereon.
26. **ASSIGNMENT:** Neither this Contract nor any monies due, or to become due hereunder, may be assigned by the Vendor without the express written consent of the Agency, and any other government agency or office that may be required to approve such assignments.
27. **WARRANTY:** The Vendor expressly warrants that the goods and/or services covered by this Contract will: (a) conform to the specifications, drawings, samples, or other description furnished or specified by the Agency; (b) be merchantable and fit for the purpose intended; and (c) be free from defect in material and workmanship.
28. **STATE EMPLOYEES:** State employees are not permitted to utilize this Contract for personal use and the Vendor is prohibited from permitting or facilitating the same.
29. **BANKRUPTCY:** In the event the Vendor files for bankruptcy protection, the State Treasurer's Office may deem this Contract null and void, and terminate this Contract without notice.
30. **PRIVACY, SECURITY, AND CONFIDENTIALITY:** The Vendor agrees that it will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential

information gained from the Agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the Agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/default.html>.

- 31. YOUR SUBMISSION IS A PUBLIC DOCUMENT:** Vendor's entire response to the Solicitation and the resulting Contract are considered public documents. As public documents, they will be disclosed to the public following the bid/proposal opening or award of the contract, as required by the competitive bidding laws of West Virginia and the Freedom of Information Act found in West Virginia Code §§ 29B-1-1 et seq.

DO NOT SUBMIT MATERIAL YOU CONSIDER TO BE CONFIDENTIAL, A TRADE SECRET, OR OTHERWISE NOT SUBJECT TO PUBLIC DISCLOSURE.

Submission of any bid, proposal, or other document to the STO Purchasing Division constitutes your explicit consent to the subsequent public disclosure of the bid, proposal or document. The STO Purchasing Division will disclose any document labeled "confidential", "proprietary", "trade secret", "private", or labeled with any other claim against public disclosure of the documents, to include any "trade secrets" as defined by W. Va. Code § 47-22-1 et seq. All submissions are subject to public disclosure without notice.

- 32. LICENSING:** Vendor must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agency or political subdivision. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Upon request, the Vendor must provide all necessary releases to obtain information to enable the STO Purchasing Division to verify that the Vendor is licensed and in good standing with the above entities.

SUBCONTRACTOR COMPLIANCE: Vendor shall notify all subcontractors providing commodities or services related to this Contract that as subcontractors, they too are required to be licensed, in good standing, and up-to-date on all state and local obligations as described in this section. Obligations related to political subdivisions may include, but are not limited to, business licensing, business and occupation taxes, inspection compliance, permitting, etc. Notification under this provision must occur prior to the performance of any work under the contract by the subcontractor.

- 33. ANTITRUST:** In submitting a bid to, signing a contract with, or accepting an Award Document from any agency of the State of West Virginia, the Vendor agrees to convey, sell, assign, or transfer to the State of West Virginia all rights, title, and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency renders the initial payment to Vendor.

- 34. VENDOR CERTIFICATIONS:** By signing its bid or entering into this Contract, Vendor certifies (1) that its bid or offer was made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, person or entity submitting a bid or offer for the same material, supplies, equipment or services; (2) that its bid or offer is in all respects fair and without collusion or fraud; (3) that this Contract is accepted or entered into without any prior understanding, agreement, or connection to any other entity that could be considered a violation of law; and (4) that it has reviewed this Solicitation in its entirety; understands the requirements, terms and conditions, and other information contained herein.

Vendor's signature on its bid or offer also affirms that neither it nor its representatives have any interest, nor shall acquire any interest, direct or indirect, which would compromise the performance of its services hereunder. Any such interests shall be promptly presented in detail to the Agency. The individual signing this bid or offer on behalf of Vendor certifies that he or she is authorized by the Vendor to execute this bid or offer or any documents related thereto on Vendor's behalf; that he or she is authorized to bind the Vendor in a contractual relationship; and that, to the best of his or her knowledge, the Vendor has properly registered with any State agency that may require registration.

- 35. VENDOR RELATIONSHIP:** The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by this Contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents. Vendor shall be responsible for selecting, supervising, and compensating any and all individuals employed pursuant to the terms of this Solicitation and resulting contract. Neither the Vendor, nor any employees or subcontractors of the Vendor, shall be deemed to be employees of the State for any purpose whatsoever. Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension, or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, licensing fees, etc. and the filing of all necessary documents, forms, and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including, but not limited to, the foregoing payments, withholdings, contributions, taxes, Social Security taxes, and employer income tax returns.

- 36. INDEMNIFICATION:** The Vendor agrees to indemnify, defend, and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person, or firm performing or supplying services, materials, or supplies in connection with the performance of the Contract; (2) Any claims or losses resulting to any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use, or disposition of any data used under the Contract in a manner not authorized by the Contract, or by Federal or State statutes or regulations; and (3) Any failure of the Vendor, its officers, employees, or subcontractors to observe State and Federal laws including, but not limited to, labor and wage and hour laws.

- 37. PURCHASING AFFIDAVIT:** Vendors are required to sign, notarize, and submit the Purchasing Affidavit affirming under oath that it is not in default on any monetary obligation owed to the State

or a political subdivision of the State. The affidavit must be submitted prior to award, but should be submitted with the Vendor's bid. The STO has adopted the use of this Affidavit while the referenced W.Va. Code citation is not applicable to the STO. A copy of the Purchasing Affidavit is included herewith.

- 38. ADDITIONAL AGENCY AND LOCAL GOVERNMENT USE:** This Contract may be utilized by and extends to other agencies, spending units, and political subdivisions of the State of West Virginia; county, municipal, and other local government bodies; and school districts (“Other Government Entities”), provided that both the Other Government Entity and the Vendor agree. Any extension of this Contract to the aforementioned Other Government Entities must be on the same prices, terms, and conditions as those offered and agreed to in this Contract, provided that such extension is in compliance with the applicable laws, rules, and ordinances of the Other Government Entity. A refusal to extend this Contract to the Other Government Entities shall not impact or influence the award of this Contract in any manner.
- 39. CONFLICT OF INTEREST:** Vendor, its officers or members or employees, shall not presently have or acquire an interest, direct or indirect, which would conflict with or compromise the performance of its obligations hereunder. Vendor shall periodically inquire of its officers, members and employees to ensure that a conflict of interest does not arise. Any conflict of interest discovered shall be promptly presented in detail to the Agency.
- 40. REPORTS:** Vendor shall provide the Agency with the following reports identified by a checked box below:
- Such reports as the Agency/STO may request. Requested reports may include, but are not limited to, quantities purchased, agencies utilizing the contract, total contract expenditures, etc.
 - Quarterly reports detailing the total quantity of purchases in units and dollars, along with a listing of purchases by the agency. Unless otherwise provided for upon Contract award, quarterly reports should be delivered to the STO Purchasing Division via email at purchasing@wvsto.com.
- 41. BACKGROUND CHECK:** In accordance with W.Va. Code § 15-2D-3, the Director of the Division of Protective Services shall require any service provider whose employees are regularly employed on the grounds or in the buildings of the Capitol complex or who have access to sensitive or critical information to submit to a fingerprint-based state and federal background inquiry through the state repository. The service provider is responsible for any costs associated with the fingerprint-based state and federal background inquiry.

After the contract for such services has been approved, but before any such employees are permitted to be on the grounds or in the buildings of the Capitol complex or have access to sensitive or critical information, the service provider shall submit a list of all persons who will be physically present and working at the Capitol complex to the Director of the Division of Protective Services for purposes of verifying compliance with this provision.

The State reserves the right to prohibit a service provider's employees from accessing sensitive or critical information or to be present at the Capitol complex based upon results addressed from a criminal background check. Service providers should contact the West Virginia Division of Protective Services by phone at (304) 558-9911 for more information.

42. JOINT PROPOSALS AND SUBCONTRACTING: Joint Proposals are not permitted. Subcontracting is permitted subject to STO authorization. The purchase order/contract shall be awarded to the Vendor submitting the proposal. The Vendor awarded the purchase order/contract shall be the sole point of contact with regard to the purchase order and shall be solely responsible for all matters provided pursuant to the purchase order/contract, including without limitation, any tangible or intangible items provided by a subcontractor or other party.

43. PREFERENCE FOR USE OF DOMESTIC STEEL PRODUCTS: Except when authorized by the Director of the (WV Dept. of Administration) Purchasing Division pursuant to W. Va. Code § 5A-3-56, no contractor may use or supply steel products for a State Contract Project other than those steel products made in the United States. A contractor who uses steel products in violation of this section may be subject to civil penalties pursuant to W. Va. Code § 5A-3-56. As used in this section:

- a. "State Contract Project" means any erection or construction of, or any addition to, alteration of or other improvement to any building or structure, including, but not limited to, roads or highways, or the installation of any heating or cooling or ventilating plants or other equipment, or the supply of and materials for such projects, pursuant to a contract with the State of West Virginia for which bids were solicited on or after June 6, 2001.
- b. "Steel Products" means products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated or otherwise similarly processed, or processed by a combination of two or more or such operations, from steel made by the open heath, basic oxygen, electric furnace, Bessemer or other steel making process. The Purchasing Division Director may, in writing, authorize the use of foreign steel products if:
- c. The cost for each contract item used does not exceed one tenth of one percent (.1%) of the total contract cost or two thousand five hundred dollars (\$2,500.00), whichever is greater. For the purposes of this section, the cost is the value of the steel product as delivered to the project; or
- d. The Director of the Purchasing Division determines that specified steel materials are not produced in the United States in sufficient quantity or otherwise are not reasonably available to meet contract requirements.

44. PREFERENCE FOR USE OF DOMESTIC ALUMINUM, GLASS, AND STEEL:

In accordance with W.Va. Code § 5-19-1 et seq., and W.Va. CSR § 148-10-1 et seq., for every contract or subcontract, subject to the limitations contained herein, for the construction, reconstruction, alteration, repair, improvement or maintenance of public works or for the purchase of any item of machinery or equipment to be used at sites of public works, only domestic aluminum, glass or steel products shall be supplied unless the spending officer determines, in writing, after the receipt of offers or bids, (1) that the cost of domestic aluminum, glass or steel products is

unreasonable or inconsistent with the public interest of the State of West Virginia, (2) that domestic aluminum, glass or steel products are not produced in sufficient quantities to meet the contract requirements, or (3) the available domestic aluminum, glass, or steel do not meet the contract specifications. This provision only applies to public works contracts awarded in an amount more than fifty thousand dollars (\$50,000) or public works contracts that require more than ten thousand pounds of steel products.

The cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than twenty percent (20%) of the bid or offered price for foreign made aluminum, glass, or steel products. If the domestic aluminum, glass or steel products to be supplied or produced in a “substantial labor surplus area”, as defined by the United States Department of Labor, the cost of domestic aluminum, glass, or steel products may be unreasonable if the cost is more than thirty percent (30%) of the bid or offered price for foreign made aluminum, glass, or steel products. This preference shall be applied to an item of machinery or equipment, as indicated above, when the item is a single unit of equipment or machinery manufactured primarily of aluminum, glass or steel, is part of a public works contract and has the sole purpose or of being a permanent part of a single public works project. This provision does not apply to equipment or machinery purchased by a spending unit for use by that spending unit and not as part of a single public works project.

All bids and offers including domestic aluminum, glass or steel products that exceed bid or offer prices including foreign aluminum, glass or steel products after application of the preferences provided in this provision may be reduced to a price equal to or lower than the lowest bid or offer price for foreign aluminum, glass or steel products plus the applicable preference. If the reduced bid or offer prices are made in writing and supersede the prior bid or offer prices, all bids or offers, including the reduced bid or offer prices, will be reevaluated in accordance with this rule.

- 45. INTERESTED PARTY SUPPLEMENTAL DISCLOSURE:** W. Va. Code § 6D-1-2 requires that for contracts with an actual or estimated value of at least \$100,000, the vendor must submit to the Agency a supplemental disclosure of interested parties reflecting any new or differing interested parties to the contract, which were not included in the original pre-award interested party disclosure, within 30 days following the completion or termination of the contract. A copy of that form is included with this solicitation or can be obtained from the WV Ethics Commission. "Interested parties" means: (1) A business entity performing work or service pursuant to, or in furtherance of, the applicable contract, including specifically subcontractors; (2) the person(s) who have an ownership interest equal to or greater than 25% in the business entity performing work or service pursuant to, or in furtherance of, the applicable contract; and (3) the person or business entity, if any, that served as a compensated broker or intermediary to actively facilitate the applicable contract or negotiated the terms of the applicable contract with the state agency: Provided, That subdivision (2) shall be inapplicable if a business entity is a publicly traded company: Provided, however, That subdivision (3) shall not include persons or business entities performing legal services related to the negotiation or drafting of the applicable contract. The Agency shall submit a copy of the disclosure to the Ethics Commission within 15 days after receiving the supplemental disclosure of interested parties

DESIGNATED CONTACT: Vendor appoints the individual identified in this Section as the Contract Administrator and the initial point of contact for matters relating to this Contract.

(Printed Name, Title)

(Address)

(Phone Number) / (Fax Number)

(Email address)

CERTIFICATION AND SIGNATURE: By signing below, or submitting documentation through wvOASIS, I certify that I have reviewed this Solicitation in its entirety; that I understand the requirements, terms and conditions, and other information contained herein; that this bid, offer or proposal constitutes an offer to the State that cannot be unilaterally withdrawn; that the product or service proposed meets the mandatory requirements contained in the Solicitation for that product or service, unless otherwise stated herein; that I am submitting this bid, offer or proposal for review and consideration; that I am authorized by the vendor to execute and submit this bid, offer, or proposal, or any documents related thereto on vendor's behalf; that I am authorized to bind the vendor in a contractual relationship; and that to the best of my knowledge, the vendor has properly registered with any State agency that may require registration.

(Company Name)

Printed Name/Title

(Authorized Signature) _____ Date _____

(Phone Number)

(Fax Number)

(Email)

FEIN _____

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

CONSTRUCTION CONTRACTS: Under W. Va. Code § 5-22-1(i), the contracting public entity shall not award a construction contract to any bidder that is known to be in default on any monetary obligation owed to the state or a political subdivision of the state, including, but not limited to, obligations related to payroll taxes, property taxes, sales and use taxes, fire service fees, or other fines or fees.

ALL CONTRACTS: Under W. Va. Code §5A-3-10a, no contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and: (1) the debt owed is an amount greater than one thousand dollars in the aggregate; or (2) the debtor is in employer default.

EXCEPTION: The prohibition listed above does not apply where a vendor has contested any tax administered pursuant to chapter eleven of the W. Va. Code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Employer default" means having an outstanding balance or liability to the old fund or to the uninsured employers' fund or being in policy default, as defined in W. Va. Code § 23-2c-2, failure to maintain mandatory workers' compensation coverage, or failure to fully meet its obligations as a workers' compensation self-insured employer. An employer is not in employer default if it has entered into a repayment agreement with the Insurance Commissioner and remains in compliance with the obligations under the repayment agreement.

"Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

AFFIRMATION: By signing this form, the vendor's authorized signer affirms and acknowledges under penalty of law for false swearing (*W. Va. Code §61-5-3*) that: (1) for construction contracts, the vendor is not in default on any monetary obligation owed to the state or a political subdivision of the state, and (2) for all other contracts, that neither vendor nor any related party owe a debt as defined above and that neither vendor nor any related party are in employer default as defined above, unless the debt or employer default is permitted under the exception above.

WITNESS THE FOLLOWING SIGNATURE:

Vendor's Name: _____

Authorized Signature: _____ Date: _____

State of _____

County of _____, to-wit:

Taken, subscribed, and sworn to before me this ____ day of _____, 20__.

My Commission expires _____, 20__.

AFFIX SEAL HERE

NOTARY PUBLIC _____