# COMMONWEALTH OF MASSACHUSETTS

# 

# and

# MASSACHUSETTS BAY

# TRANSPORTATION AUTHORITY

## 

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## **R E Q U E S T F O R P R O P O S A L**

## **C A R D P R O C E S S I N G S E R V I C E S**

**J U L Y 2 0 1 4**

Request for Proposal

Card Processing Services

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**Terms and Conditions**

**I. BACKGROUND**

This Request for Proposals (RFP) is being issued by the Commonwealth of Massachusetts, collectively (Commonwealth) through the Massachusetts Bay Transportation Authority (MBTA) and for other Commonwealth (non-MBTA) entities.

**The Commonwealth**

The Commonwealth has an area of 8,257 square miles. Geographically, the Commonwealth includes 351 cities and towns. The largest city is the capital, Boston. Employment is largely in the education, health services, wholesale and retail trade, financial and public sectors. Due to the Commonwealth’s high levels of basic education and the presence of world-class educational institutions, the Commonwealth’s economy is driven in large part by innovation in high technology, life sciences, health care and business services.

The financial statements incorporate activity from over 150 departments. These departments include the various agencies, boards, and commissions, 25 Institutions of Higher Education, the judicial and legislative branches of government and constitutional offices. In addition, there are 40 public authorities. Of these various departments and authorities there are required, recommended and optional users of merchant and card services. Currently there are 29 entities (not including municipalities) that process merchant card transactions at various locations all over the State. Each processes transactions differently and some process transactions by multiple methods. As of FY 2013 approximately $681 million (excluding the MBTA) in card transactions was processed. The Massachusetts Department of Transportation (MassPike) (I-90) Toll Road facilities and the Registry of Motor Vehicles (RMV) are the largest users of merchant services in addition to the MBTA today. (See below.)

The total annual cash flow for the Commonwealth (excluding the MBTA) exceeds $53 billion. The budget for fiscal year 2014 (July 1, 2013 – June 30, 2014) of$39.1 billionis paid primarily from General Fund revenue. The audited financial statements for the year ended June 30, 2013 as well as additional information on the Commonwealth can be located by visiting the Commonwealth’s official website at  [<http://www.mass.gov/osc/publications-and-reports/financial-reports/cafr-reports.html>](http://www.xxxxxxx.com/) .

**The MBTA**

The Massachusetts Bay Transportation Authority (MBTA), created in 1964 by a legislative act, is a body politic and a corporate and political subdivision of the Commonwealth. The territorial area of the MBTA consists of 175 cities and towns in the greater Boston metropolitan area. The MBTA is the oldest and fifth largest transit system in the country, operating subway, trackless trolley, trolley, bus, and commuter rail service throughout eastern Massachusetts.

The Transportation System - The MBTA operates rapid transit rail service, bus service and commuter rail service (through a third party service provider) for an area of eastern Massachusetts with a population of more than 4.7 million people. An estimated 1.3 million trips are provided every business day.

*Rapid Transit Service.* The MBTA operates over 64 miles of rapid transit rail routes. Three separate rapid transit rail lines (the Red, Orange and Blue Lines), which serve 51 stations, are served with heavy rail rapid transit equipment. Services are also provided by streetcars and light rail vehicles on (the Green Line and the Mattapan Line) serving 74 fixed stations and trolley stops.

*Bus Service.* The MBTA owns more than 1,000 buses and 28 trackless trolleys that operate on 190 bus routes over approximately 760 miles. In addition to local services, the MBTA operates a frequent schedule of express buses to and from downtown Boston and surrounding communities on the Massachusetts Turnpike and U.S. Interstate 93. The MBTA's Silver Line Bus Rapid Transit (BRT) service operates using a dedicated subset of the bus fleet on four routes serving 30 stations over 13 route miles. Weekday ridership is approximately 19,700. The MBTA also monitors six local service subsidy programs that provide intra-community and feeder services.

*Commuter Rail Service.* The MBTA operates 410 passenger rail coaches in commuter passenger operations that provide service to and from 135 outlying rail stations and downtown Boston.

*Other Services.* A special program, "The Ride," operates 646 vehicles that serve the elderly and persons with disabilities with over 180,000 trips per month for work, medical treatment, shopping and social functions. The MBTA also operates four routes of Ferry Boat Services on the Harbor with approximately 4,000 one way trips per month.

The MBTA has a total annual cash flow of $1.9 billion with assets of $12.5 billion.The MBTA budget for fiscal year 2014 (July 1, 2013 – June 30, 2014) of$1.9 billionis paid primarily from fare revenues and state, local and federal subsidies.

The audited financial statements for the year ended June 30, 2013 as well as additional information on the MBTA can be located by visiting the MBTA’s official website at <http://www.mbta.com/>.

**II. SCOPE**

This request for proposal is limited in scope to merchant services including card processing and related ancillary services. This document addresses the current needs of the Commonwealth defined as:

* MBTA
* Commonwealth (non-MBTA) eligible entities:
  + Required users include Executive Offices (e.g., MassDOT- RMV), Departments, Agencies, Divisions, Boards, Commissions, or Institutions within the Executive Branch,
  + Recommended users include MassDOT- MassPike, the Legislative Branch, the Judicial Branch, the Constitutional Offices, Elected Offices, Public Institutions of Higher Education, and the Military Division
  + Optional users include cities, towns, municipalities, and other state authorities.

Vendors are encouraged to be innovative in responding to these needs and potential needs associated with the ongoing expansion and modernization of the system.

**III. OBJECTIVES**

The Commonwealth’s objectives for acquiring card processing services are:

* Secure a vendor capable of providing well-managed and controlled merchant services including card processing and ancillary services for all major credit cards, signature-based debit, PIN Debit and prepaid card payment types, as well as ACH check drafting, check guarantee and payment services. The vendor must be able to support all current and future card operations to include: POS terminals, sales outlets, and mobile, integrated voice response (IVR) and e-commerce transactions. In addition, they must be fully PCI DSS and other relevant security standards such as PA-DSS, PCI, and PTS etc., compliant and maintain appropriate certifications
* Achieve operational efficiencies and obtain the most cost effective alternative and/or innovative solution for the Commonwealth’s card processing needs
* Streamline revenue flow and improve cash management practices
* Secure economies of scale pricing and lower banking costs
* Ensure accurate and timely authorization and settlement transactions
* Secure accurate and manageable reporting that meets the requirements of all Commonwealth eligible entities, including but not limited to the MBTA, MassDOT - RMV, and MassPike.

It is the Commonwealth’s intent to identify a prime Contractor for all merchant card services that can meet management’s needs, work with the Commonwealth in designing a long-term vision of an electronic payment standard and facilitate the implementation of card payment, ACH and related information services as appropriate for both the MBTA and Commonwealth (non-MBTA) entities, including the MassDOT- RMV, Department of Revenue, MassDOT - MassPike, Executive Office of Education, Trial Courts, Health and Human Services, and various other state entities. Each entity will have different business requirements and payments acceptance methods, as described in this document.

The Commonwealth expects the winning vendor to bid pricing based on the collective transaction volume of the entire Commonwealth enterprise, to be shared by all participants that use this procurement. Currently, approximately 27.6 million credit and debit transactions on a procurement wide basis are processed annually.

The Commonwealth will engage in **two separate contracts under this procurement:** the first by the MBTA utilizing the Authority’s terms and conditions, and the second directly with the Commonwealth covering the non-MBTA Commonwealth entities. The latter contract will utilize the Operational Services Division’s terms and conditions required under 801 CMR 21.00 which will allow this procurement to qualify as a Statewide Contract for use by all Commonwealth entities, authorities and municipalities. (See Appendix 5)

**IV. ADMINISTRATIVE REQUIREMENTS**

Twelve (12) hard copies of your proposal, plus a soft copy (Microsoft Office compatible) prepared according to the format in Appendix 1 question and answer format) and Appendix 2 using Times New Roman 11 point font) and delivered no later than 12:00 noon on Friday, September 5, 2014 to:

Mr. Wesley G. Wallace, Jr.

Treasurer-Controller

Massachusetts Bay Transportation Authority

10 Park Plaza, Room 8450

Boston, MA 02116

Email address: [wwallace@MBTA.com](mailto:wwallace@MBTA.com)

Please indicate the name of the account manager, address, and phone number, email and fax number of the office at which this account will be managed.

**Disadvantaged Business Enterprise (DBE)**

Please provide the proposed percentage and a description of the nature of the Disadvantaged Business Enterprise (“DBE”) participation in this contract. While there is no DBE goal associated with this contract, the Commonwealth strongly encourages commitment to the use of Minority, Women and Disadvantaged Business Enterprises as prime consultants, sub-consultants and suppliers in all contracting opportunities. Additional information relating to the Consultant’s Affirmative Action Plan and current employee profile should be included for consideration.

**Appendices**

Included with the Request for Proposal are five appendices. Appendix 1-Card Processing Services Questionnaire and Appendix 2 - Pricing Pro Forma need to be completed in their entirety. Please provide sufficient detail for each question when responding to Appendix 1 - Card Processing Services Questionnaire. Please fill in the columns of the table on Appendix 2 - Pricing Pro Forma. Be sure to address all three sections of the schedule. If additional services are provided, please add extra rows to the table, specify the services, and fill in the corresponding columns.

Appendices 3 through 5 provide additional information about the Commonwealth (non-MBTA) contract and Commonwealth entities.

**Questions**

The Commonwealth will respond to written questions regarding this RFP that are received before 12:00 p.m. on Friday, August 8, 2014. All questions and the Commonwealth’s answers will be furnished to all recipients of the RFP. Please email your questions to Wesley A. Wallace at [wwallace@mbta.com with](mailto:wwallace@mbta.com%20with) a copy to Al Di Gregorio at [adigregorio@mba.com](mailto:adigregorio@mba.com). The Commonwealth will respond in writing by email or Fax.

Interested vendors should not contact any other employee, selection committee member, Board of Director, or agent of the Commonwealth or MBTA concerning the subject matter of the Request for Proposal or related matters. Any respondents contacting any such person directly or indirectly shall be disqualified.

**Proposals**

The Commonwealth reserves the right to request additional questions of each respondent in order to clarify documentation submitted in response to the Request for Proposal. Please be advised that the Commonwealth reserves the right to reject any or all proposals in whole or in part, and to waive inconsistencies.

**Appeals/Protect Procedures**

Appeals/protests relative to this procurement will be reviewed and adjudicated in accordance with the MBTA Appeals/Protest Procedures – Professional Services. A copy of this procedure is available by contacting the Professional Services Section of the MBTA Contract Administration Department.

**V. SELECTION CRITERIA**

The written proposal, presentation, and response to questions raised during the interview will be evaluated by the Selection Committee membership based on the following criteria:

* Technology and operational capabilities of the vendor 30%
* Quality of service provided and expertise of contact personnel 20%
* Financial condition 15%
* Pricing practices for services rendered 30%
* Client references 5%
* PCI Compliance Pass/Fail

Bidders will be reviewed not only on their basic qualifications and experience, and the costs for services, but also on the quality of the Response submitted, the thoroughness of answering questions and providing information that would assist prospective buyers, the willingness to partner with the Commonwealth, the willingness to agree to standard contract boilerplates without significant negotiation of boilerplate terms, the ability to perform services within the Commonwealth without protracted delays for travel and exorbitant travel costs, the ability to provide services to all regions of the State, the ability to perform services for municipalities, cities and towns, the extent of value-added services offered by a Bidder, the willingness to support Commonwealth wide enterprise pricing as part of costs structures, and the level of support for the Supplier Diversity Program (SDP) and Prompt Payment Discounts (PPD) for the non-MBTA Statewide Contract entities.

References are required. The selection process will result in the selection of one Contractor as the provider of services based on its ability to satisfy the Commonwealth’s needs. The Commonwealth will review and rate all proposals. Those who qualify for the short list will be notified on October 10, 2014. The implementation process will commence after the contracts are approved by the respective Board of Directors.

All unsuccessful respondents will be notified after the award. Non-acceptance of any proposal will be devoid of criticism and/or any implication that the proposal was deficient. Non-acceptance of any proposal will mean only that another was deemed to be more advantageous or that respondent's RFP was non-responsive. The Commonwealth reserves the right to reject any and all proposals at its sole discretion.

The Commonwealth will retain all proposals and support material for historical records and documentation. Proposals submitted may be reviewed and evaluated by any persons at the discretion of the Commonwealth, including non-allied and independent consultants retained by the Commonwealth now or in the future.

**VI. COMPENSATION PRACTICE**

Both the MBTA and Commonwealth (non-MBTA) eligible entities compensate for services on a fee basis. A monthly bill with a detailed invoice submitted electronically is required. For the Commonwealth (non-MBTA) eligible entities it is expected that the Bidder will invoice each merchant on a monthly basis for all services included in their proposal and payment will not be netted from daily collections, unless the Bidder is proposing a cost saving to the Commonwealth by having some or all of the fees netted from collections, in which case the bidder must reflect the savings in the Section VIII-Invoicing, Question #5 of Appendix 1- RFP Questionnaire.

Fees shall remain firm for the term of the contract(s) through the renewal periods except where industry or otherwise changes occur and when all parties agree these changes result in a decrease in the fee. The merchant service provider shall notify both the MBTA’s Treasurer’s Office and the Commonwealth thirty (30) days prior to the effective date of any change, exclusions or banking fee increases or decreases. Vendor fees not identified by the Contractor in the original proposal shall not be considered at any time during the remaining tenure of the contract(s).

Please provide your best and final quote in the proposal. The Commonwealth will not accept revised proposals. The selected vendor’s response to the RFP will become part of the final contract(s).

Statistics pertaining to dollar and item volumes cited in this RFP are provided for bidding information purposes only. They are as accurate as possible. It is expected in the future that additional Commonwealth entities will process payments under the contract(s). In preparation of bids, vendors should recognize that actual volumes experienced in the future will vary from those cited. The new contract must provide the Commonwealth entities with the ability to begin accepting electronic payments, add new or remove locations and discontinue the acceptance of electronic payments.

Lastly, to allow for access to new technology and services, and to enhance competition, the Commonwealth reserves the right to request, and Contractors may offer the Commonwealth at any time during the duration of this Contract, any additional services or technology related to the performance of electronic payment acceptance even if Contractors have not proposed such additional services as part of their initial response. The Commonwealth reserves the right to request such services and will negotiate the reasonable cost or fees for those services or technology at the time of need.

**VII. SCHEDULE OF EVENTS/DATES**

|  |  |
| --- | --- |
| Bidder's Meeting - for discussion of Request for Proposal \* | August 6, 2014 |
| Deadline for receipt of final proposal complete with pricing | (by noon) September 5, 2014 |
| Notification of short list eligibility | October 10, 2014 |
| Oral presentation | October 23 & October 24, 2014 |
| Notification of selection | November14, 2014 |
| Board Meeting | January , 2015 |

\* An informational review meeting for this RFP will take place on August 6, 2014, at 9:30 a.m. at 10 Park Plaza, 3rd Floor Board Room. At this meeting Commonwealth personnel will discuss the RFP and answer questions. Unanswered questions from the meeting must be submitted electronically to Wes Wallace with a copy emailed to Al Di Gregorio by 12:00 P.M. on August 8th and the name of the institution submitting the questions clearly identified on the correspondence.

**VIII. RFP QUESTIONNAIRE/INSTRUCTIONS**

The RFP Questionnaire (See Appendix 1) is to be completed in its entirety. The specific questions about your service capabilities are intended to provide insight into your ability to meet our needs. Statements should be organized using the sequence and format of the questions as presented. Please identify and state the question followed by the response. Please prepare your response using Times New Roman 11 point font.

When responding to any section of the RFP, the Bidder should not only answer the questions asked, but should include any recommendations related to the information provided, the pros and cons of the specific services discussed, cost considerations that will be factored into costs and pricing, and alternatives that can or may provide the required services, fulfill an identified need, or support industry standard or the trend in modernization in the services sought.

## The Bidder must indicate if the Bidder will be directly providing the services or contracting out all or a portion of the services through a subcontractor when completing responses. This includes subsidiaries under the same parent company that have separate Tax IDs from the parent company. For the purposes of this RFP, entities with different Tax IDs will be considered separate legal entities and will be considered subcontractors. All non-MBTA entity Statewide Contracts are established under the Prime Contractor’s Tax ID, who will be legally responsible for the Statewide Contract. Any subcontracted performance will be considered to be performance under the responsibility of the Prime Contractor. Any Statewide Contract services must be managed and billed by the Statewide Contractor. All tax reporting will be made through the Statewide Contractor Tax ID. Eligible Entities are not authorized to contract with, work directly with, accept invoices from or make payments to any subcontractor, but may interact only with the Statewide Contractor.

As a prime Contractor, the vendor may not require the Commonwealth to sign separate agreements with other third parties but will coordinate all agreements and terms under the umbrella contract signed with the prime contractor. Ifthird party terms are required, the prime Contractor will include the terms under the engagement with each merchant and not under separate contracts with the third parties.

## **Change in Contractor Identity-Successor Entities.** Note that Bidders selected for a Statewide Contract may not later assign the Contract or performance to a subsidiary company or another entity. The selection under this RFP for the Statewide Contract is based upon the Bidder submission. Any substantive change (other than a legal name change) that changes the Tax ID, or legal identity of the Statewide Contractor will be considered a material change in Contractor identity which may compromise the procurement and may be unfair to other Statewide Contractors selected to perform the same services. While a merger, acquisition or other sale of a Statewide Contractor’s business may happen, the Commonwealth is not obligated to accept the resulting successor entity automatically as a Statewide Contractor.

It will be up to the Contracting Entity to determine whether maintaining this business relationship is in the best interests of the Commonwealth, or other Eligible Entities. The successor entity must agree to accept the terms of the Statewide Contract and execute all the necessary forms, certifications and agreements under the same or more favorable terms than the preceding Contractors. Conditioning execution of any required documents, increasing prices or otherwise conditioning performance may subject the successor entity to dismissal from the Statewide Contract, as the Commonwealth will have already negotiated a contract, pricing and terms with the predecessor entity. Opening up the contract to negotiation is unfair to all other Statewide Contractors that were selected for the Contract and to other Bidders that bid, but were not selected. The Commonwealth has no obligation to re-negotiate a Statewide Contract once executed, and if the successor entity is dismissed based upon the determination of the Contracting Entity, this determination shall be final, and the successor entity will have no right to dispute this dismissal. The Contracting Entity has the right to dismiss any Statewide Contractor without cause with reasonable notice.

1. **CARD PROCESSING SERVICES PROFILE**

The Commonwealth processes electronic financial payments; e.g. credit and debit card payments through various sales channels. These include the fare collection system, sales offices, point of sale terminals, Commonwealth hosted web sites, and third party hosted websites, IVR, commuter rail stations, parking facilities, and mobile ticketing applications. On a procurement wide basis, approximately 27.6 million credit and debit transactions are processed annually**.**  Below are profiles for the MBTA and the Commonwealth (non-MBTA) eligible entities:

**THE MBTA**

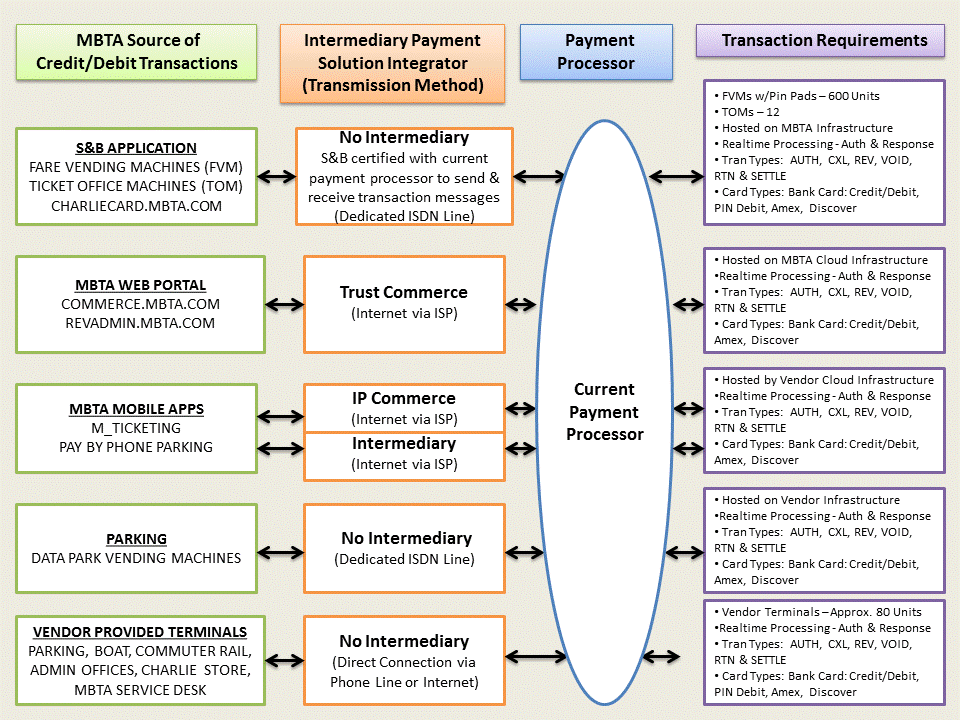
The fare collection system is deployed on all subway stations, bus, trackless trolley and the Silver Line. It consists of approximately 523 full service and cashless fare vending machines (FVM), 1,500 new fare boxes, 500 fare gates at stations, 12 ticket office machines (TOM), 170 retail sales terminals, two photo ID systems, two central computers (one redundant), encoding equipment and a revenue transfer system that includes garage equipment (e.g. vaults, money hoppers and a wireless data collection system), the CharlieStore, as well as terminals in two sales offices and at each airport terminal of Logan International Airport. The fare media includes magnetic tickets called CharlieTickets and contactless Smart Cards called CharlieCards, a closed loop application patrons use for stored value “pay-as-you-go” and time-based monthly passes. The CharlieCard Store uses one of the TOMs of the fare collection system.

Commuter Rail, Ferries and MBTA parking facilities accept and process card payments independent of the fare collection system. Mobile payment applications were recently introduced in the parking facilities and commuter rail and ferry services. The current vendors are PayByPhone Technologies and Masabi, respectively. However, these vendors are subject to change over the course of the payment processing contract and the payment processor is expected to work with any new vendors selected by the MBTA.

Credit Card transaction volumes have increased greater than 15% year over year since 2010, the first full year the fare collection system was deployed.

**Transactions**

Fare collection system: The MBTA accepts all major forms of credit and debit cards through the fare vending machines (FVMs), mail-in payment programs, telephone payments, Internet, mobile and in-person transactions through EDC terminals. The majority of the transactions are processed through the FVMs equipped with PIN pads and installed system-wide at our 70 subway stations. Of the approximate 523 FVMs in the system, approximately 344 are full-service (cash, credit, and debit) and 179 are cashless (credit and debit only – no cash). An additional inventory of approximately 77 PIN pads is kept for maintenance purposes. Under the current configuration, each terminal is assigned a both a merchant number and a terminal number.



The current credit card transaction environment is depicted in the diagram above. There are five access methods, hosted by various sources, in which the new payment provider must interact while remaining vendor neutral and flexible within the framework.

1. Devices: Our Vendor Scheidt & Bachmann manufactured all field devices, such as the fare vending machines and ticket office machines, and also developed the application for CharlieCard.com. Transactions captured on these devices are internally hosted by the MBTA's central computing system and credit card servers. The tickets from these devices can be used on buses, subways and in stations.

2. Host: Savvis/Century Link hosts our e-commerce and revenue admin sites, accepting transactions through the web and by phone. They have a direct connection to the MBTA's payment provider. Cards are processed through the web and by phone. Customers of “The Ride”, the MBTA’s Para-transit service may add value to their accounts online or by phone using a credit card through a third party vendor.

3. Mobile Ticketing: The Mobile ticketing application is another method for processing transactions. Our current Mobile ticketing provider is hosted through the Amazon Cloud prior to being processed through IP Commerce and the payment provider. Commuter Rail and Ferry tickets are also sold through the Masabi mTicket mobile application. The commuter rail network is the 5th largest in the nation by ridership serving approximately 70,000 customers per day. In a one year mobile ticketing pilot, 9% of commuter rail riders were using the mobile application to purchase tickets, amounting to $22 million in sales.

4. Parking: Parking garages have three of their own methods for accessing the payment provider. Transactions are processed at 12 garages through hand-held devices used by attendants, which accept credit and debit cards as well as PIN debits. The devices are supplied by the current payment provider. At 6 garages, transactions occur at unattended vending machines supplied by Data Park. Lastly, all garages have dedicated spaces where payments are accepted by PayByPhone, the mobile app provider.Transactions are processed using an internet or frame relay connection to the payment provider.

5. Hand Held Terminals: Approximately 80 Point-of-Payment devices are deployed throughout the system. For example, some of the Hypercom 3G or Ingenco terminals provided by the card processor are used by the three (3) full-time Commuter Rail Sales Offices located at North Station, South Station and Back Bay Station to process credit and debit transactions and in some cases PIN debit transactions. These terminals use a broadband with a dial up fail over. Settlement transactions are batched at the end of each agent’s tour. The new payment processor would either need to support these devices or an equivalent including injection and encryption.

All transactions require real time authorization and processing regardless of the access method to the payment provider. If the transaction is not completed due to a communication interruption or time out, the transactions are considered failed transactions. A time out reversal transaction is processed (to release the hold on the customer account). The processing exception is with the Data Park terminals in the garages, in which case the transactions processed through these terminals are processed as “Hold and Send” transactions when a communication interruption is experienced.

The transaction environment must meet or exceed capacity demands during peak periods and high performance standards within a secure architecture. Note that the daily volumes of transactions for peak sales that occur during the monthly MBTA pass sales period can exceed 78,500 transactions. Based on experience for CY2013 under the fare collection system, the MBTA processed 15.4 million card transactions annually totaling approximately $250 million in revenue. See Appendix 2, the Pricing Pro Forma for a schedule of representative average monthly volumes.

**Ticket Size**

The current average ticket size for credit card purchases is $16.56 for the core system and $37.36 for the commuter rail system. Additional ticket information for the system follows:

**Fare collection system (MCC Code 4111) Volume/Average Ticket**

Representative monthly volume $ 14,475,100

Representative monthly volume (transactions) 966,800

Average ticket size $14.97

Visa $17.16

MC $18.09

AMEX $18.32

Discover $18.61

**Web based transactions (MCC Code 4111)**

Representative monthly volume $ 1,077,000

Representative monthly volume (transactions) 19,120

Average ticket size $ 56.39

**Commuter Rail transactions (MCC Code 4112)**

Representative monthly volume $ 5,281,300

Representative monthly volume (transactions) 179,350

Average ticket size $ 29.45

Commuter includes Mobile ticketing

**Parking transactions (MCC Code 7523)**

Representative monthly volume $ 2,213,700

Representative monthly volume (transactions) 318,400

Average ticket size $ 6.95

**Total MBTA transactions**

Representative monthly volume $ 23,047,200

Representative monthly volume (transactions) 1,483,670

**Equipment Requirements**

The card processor should be able to connect and communicate with a central server that supports the FVMs with a redundant real time back-up system as well as support Electronic Data Capture (EDC) terminals, PC based terminals and web based applications. Transactions for the FVMs and TOMs are processed by the MBTA’s fare collection system. This system routes all transactions over the MBTA’s private network to a central computer system, which interfaces to the card processor’s router. Responses received from the card processor are transmitted to the central computer system which routes the transaction messages back to the originating device/terminal. All of these transactions are intended to be instantaneous response times and at a minimum equal to current levels achieved.

The card processor should also be able to connect and communicate with other direct interfaces, e-commerce and mobile applications working with multiple ISPs. The current and ongoing PCI compliance and related costs to maintain compliance for the vendor and all subcontractors is the responsibility of the Bidder and is a condition of this Contract. PCI compliance failures or deficiencies by vendor or any subcontractor shall be grounds for immediate termination or suspension. The winning Bidder is expected to participate in design elements to include but not be limited to security, connectivity, communications, interface development and certifications for efficient and cost effective applications. The processor should also be able to provide hand held terminal devices for additional applications. The current hand held devices include the following:

|  |  |  |
| --- | --- | --- |
| Item | Application | ***Owner Type*** |
| VFN, Vx610, 6Mb, Sierra CDMA, Wireless/Terminal/Printer/PIN Pad/SCR | TRTC610F (\*MA) | *Merchant* |
|
| VFN, Vx570, 12Mb, Dial 14.4/Ethernet, Terminal/Printer/PIN Pad/SCR | HS570F (\*MA) | *Merchant* |
|
| VFN, Vx570, 12Mb, Dial 14.4/Ethernet, Terminal/Printer/PIN Pad | HS570F (\*MA) | *Merchant* |
| VFN, 1000SE, 180, PIN Pad |  | *Merchant* |
|
| Optimum T4205 Hypercom |  | *Merchant* |

**Design and Technical Specifications - Fare collection system**

* Direct Interface Connectivity – Current interface requires dedicated leased line, private 56K full frame relay or with a 128 K ISDN backup, plus redundancy in terms of processing locations and communication lines. This requirement is to support the response time of 1 to 3 seconds. The interface should be provided by the clearing house via a TCP/IP protocol, full duplex communication, preferred Ethernet CAT-5/RJ-45 port to CCS and a minimum bandwidth of 10/100/1000 Mbit/s. The interface must support multiple transactions at the same time in parallel. Future considerations may be given to Point-to-Point T1.
* The processor must be able to provide notification of outages and monitor connections from MBTA to the vendor’s data centers. In addition, the vendor must be able to provide second level customer support for the S&B application running in AFC devices. As part of the support of transactions originating at AFC locations, processor shall coordinate with processor's frame relay vendor according to information provided by MBTA for the installation of both frame relay lines installed between MBTA offices and the Bank platform. This support also includes providing details relating to the router configuration and on-going maintenance.
* The card processor must be able to provide maintenance services for the frame relay connection for the duration of this contract.
* The fare collection system currently utilizes real-time authorization and real-time settlement in lieu of a nightly batch.
* Data Encryption – All keys shall be handled via DUKPT. Note additional references regarding future needs for Triple-DES encryption support.
* PIN Pads - The current PIN pads used in the FVM’s and the TOM’s must be certified and supported by the clearinghouse. The TOMs use the IVI/Ingenico CheckMate Encryption PINSMart (eN Crypt 1200). The FVMs use MGR#A-1K12P104-A / #A-1K12P105-A Encrypted. A change of processor requires a strategy and implementation plan to change over this encryption either by the processor or by the processor providing the MBTA with the ability to inject encryption of the PIN pads along with recommended procedures for keypad security. The current PIN pads are nearing the end of life and need replacement. The payment processor must provide a short-term plan for replacing 600 PIN pads (which includes an appropriate spare inventory) with industry standard PIN pads compatible with existing field devices.
* Certification - Fare collection system requires a certified interface with S&B.
* Referenced Baseline Minimum Requirement for ISDN Back-up/Redundancy Functionality - Illustrated below is the ISDN Back-up/Redundancy as it exists today and is referenced as a baseline requirement. The system requires redundancy and automatic failover functionality by the clearinghouse/card processor. All items within the box are managed by the payment processor.



**Transaction Requirements**

The card processor must support the processing of all major credit and debit cards, electronic benefit transfer (EBT), corporate, purchasing, prepaid and international card transactions and encrypted PIN based transactions. At a minimum all transactions require: authorization, reversal, void, return, refund and settlement functions. Partial payments, balance inquiry, and other functions may also be required on some terminals.

Vendor’s authorization system must be available at a minimum 99.6% of the time, measured on an annual basis. The frame relay connection (provided by Vendor’s third party) will be available and must conform to industry standards. Authorization transactions shall be completed within a 2 second timeframe (as measured as the time from when the request is transferred from the sales location to when the approval or denial is received by the sales location).

The card processor must have the ability to process real time settlement, periodic intraday settlement files and nightly batch settlement files.

The card processor must have reporting capabilities to provide the MBTA, at a minimum, access to its transaction data on a daily basis (no later than 2:00 p.m. each day for the previous day's summary data), either through use of the bank’s web based reporting product or via a file extract. The MBTA must be able to use this tool and/or data as part of its reconciliation process, as well as for troubleshooting and receiving on-line notification of chargebacks and retrievals.

The card processor must have the ability to report transaction exceptions in a timely manner, e.g., open bank authorizations and unsettled transactions.

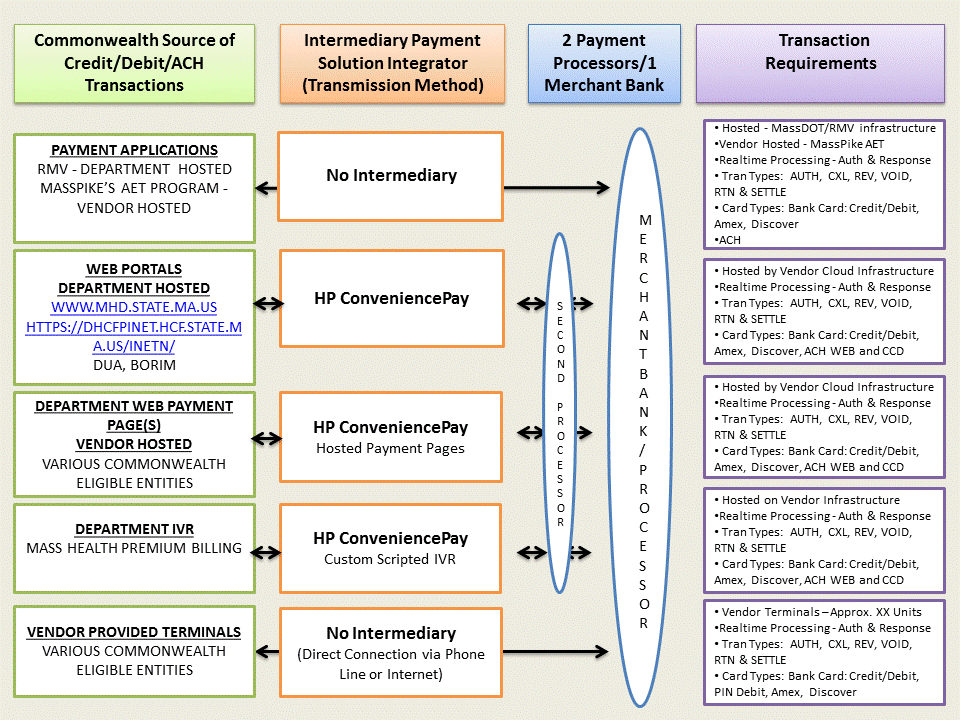
If, transactions cannot be completed in the event of a communication interruption or failure, then the transactions are deemed to be failed; the card processor must have the ability to process authorization reversals. The exception is in the case of the Data Park garages as these items would not be considered failed, and need to be processed as “Hold and Send” transactions. In addition, the processor must have the ability to process mass refunds in the event of material system outage/failure. Therefore, on an exception basis, the processor must provide an automated mechanism to process large groups of transactions (sales or refunds) to customer credit cards in bulk that does not require the MBTA to process such transactions manually or one at a time.

* Average daily volume is approximately 48,300 transactions
* An illustrative peak period experience is 78,500 in a day and 15,200 transactions for approximately $815,000 in a 2 hour period from 7AM to 9AM on the first of a month.

**THE COMMONWEALTH (NON-MBTA) ELIGIBLE ENTITIES**

The Commonwealth (non-MBTA) entities include a broad range of Departments, authorities, municipalities, universities and other public entities that accept electronic payments via web payment pages, IVR, and the point of sale. Currently there are 28 Commonwealth (non-MBTA) eligible entities in production under a statewide agreement (not including municipalities) consisting of 38 e-commerce programs (web, IVR, point of sale in production. There are 14 e-commerce programs in development. All existing programs are under one of the following MCC Codes: 9399 (Gov), 9311 (Tax) and 9211 (Court), or 4784 (Tolls & Bridge)

The current credit card transaction environment is depicted in the diagram below. Some entities host payment applications on Commonwealth managed resources, while others connect to third party service provider hosted payment pages. Credit, debit, ACH, and ACH conversion transactions may be utilized on all payment channels.



There are five access methods, hosted by various sources, in which the new payment provider must interact while remaining vendor neutral and flexible within the framework.

1. Direct Interface connectivity: Both MassDOT’s - RMV and MassPike AET Program interface directly with the current processor. The RMV application is an internally developed and self-hosted application. Credit, debit, PIN Debit, e-check transactions are processed through various branch offices, the web portal, kiosks and an IVR system over the central computer application. The RMV generates approximately $1B in annual revenue. There are approximately 5.4m registered vehicles and 5.5 million licensed drivers in the Commonwealth that can use the application. (See Appendix 3 for additional information on the RMV.) MassPike’s All Electronic Tolling (AET) System is a vendor-hosted application that processes card and ACH transactions. (See Appendix 4 for additional information on MassPike.)

*2.* Web Portals - Department Host integrated with vendor intermediary are utilized by various entities

3. Web Payment Pages - Vendor Host Web payment pages*.* Various entities accept revenue for numerous payment types throughout state government including, professional, alcoholic beverage, facilities, and environmental licenses; etc.

4.IVR*.* An entity currently utilizes integrated voice response to accept subscriber payments for MassHealth premiums.

5.Point of Sale*.* POS programs range from large (e.g., Trial Courts) in multiple geographical locations with numerous terminals to small (e.g., a single terminal at a cashier’s window in a state office environment)

All transactions require real time authorization and processing regardless of the access method to the payment provider. If the transaction is not completed due to a communication interruption or time out, the transactions are considered failed transactions. A time out reversal transaction is processed (to release the hold on the customer account). The transaction environment must meet or exceed capacity demands during peak periods and high performance standards within a secure architecture.

**Ticket Size**

Sales volume and ticket size information is provided below as an estimate. Actual volumes are cyclical and may vary by program or time of year. Commonwealth (non-MBTA) entity volume for actual FY13 was over $680 million and 9.6 million transactions. (MBTA’s were monthly estimates)

**Equipment Requirements**

For all Commonwealth entities, the card processor should be able to connect and communicate with all direct interfaces, ecommerce, IVR, and POS programs working with multiple ISPs. The applications require primary and Disaster Recovery (DR) sites with access to card processing capabilities. These applications require redundant access to the card processing center as well. (See Appendices 4 and 5 for additional requirements) The card processor must be able to meet the transaction and reporting requirements set forth previously in this document for the MBTA. Again, the winning Bidder is expected to participate in design elements that include but are not limited to security, connectivity, communications, interface development and certifications for efficient and cost effective applications. The processor should also be able to provide PCI compliant hand held terminal devices for additional applications. All customer-facing PIN pads provided to the RMV must be EMV and PCI PTS 3.x or higher compliant and have the ability to capture a signature for driver licensing purposes. The stylus must be ergonomically and end user friendly.  The equipment must also be durable as the general public tends to move/shove etc., the pads around.

A representative list of current hand held devices is below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Item** | | **Application** | **Owner Type** |  |
| VFN, Vx610, 6Mb, Sierra CDMA, Wireless/Terminal/Printer/PIN Pad/SCR | | TRTC610F (\*MA) | *Merchant* |  |
|  |
| VFN, Vx570, 12Mb, Dial 14.4/Ethernet, Terminal/Printer/PIN Pad/SCR | | HS570F (\*MA) | *Merchant* |  |
|  |
| VFN, Vx570, 12Mb, Dial 14.4/Ethernet, Terminal/Printer/PIN Pad | | HS570F (\*MA) | *Merchant* |  |
| FD400GT | | 750FD400 | *Merchant* |  |
| FD130 | | 750FD130 | *Merchant* |  |
| FD130Duo | | 750FD130 | *Merchant* |  |
| FD200TI/WIFI | | 750FD100 | *Merchant* |  |
| FD300TI/WIFI | | 750FD300 | *Merchant* |  |
| FD410 | | 750FD400 | *Merchant* |  |
| FD35 Pin Pad/Counter Top | |  | *Merchant* |  |
| VFN, 1000SE, 180, PIN Pad | |  | *Merchant* |  |
|  |
| Optimum T4205  Hypercom | | 071T4210 and 079T4210 | *Merchant* |  |
| FD-100 TI | 76 |  | *Merchant* |
| FD0-100 TI WiFi | 8 |  | *Merchant* |
| FD35 HW PIN Pad w NFC-EMV | 1 |  | *Merchant* |
| FD400GT CDMA | 2 |  | *Merchant* |
| FD400GT GPRS | 22 |  | *Merchant* |
| HYPERCOM T4100 | 3 |  | *Merchant* |
| HYPERCOM T4220 | 48 |  | *Merchant* |
| Hypercom T7 Plus Terminal | 25 |  | *Merchant* |
| Hypercom T77F Friction Fed Printer in 1 | 2 |  | *Merchant* |
| Hypercom T7P (T1E) | 1 |  | *Merchant* |
| Hypercom T7Plus 1 Meg Terminal | 35 |  | *Merchant* |
| RMV - ECOM? | 5 |  | *Merchant* |
| MA DOT - RETAIL | 60 |  | *Merchant* |
| MX870 Pin Pad | 16 |  | *Merchant* |
| PC-Generic | 7 |  | *Merchant* |
| Ventek Gateway EC RC DW | 1 |  | *Merchant* |
| VFI PCCharge 5.10.0 CNet | 1 |  | *Merchant* |
| Vx570 - FD POS | 47 |  | *Merchant* |

**COMMONWEALTH GROWTH AND EXPANSION –FUTURE REQUIREMENTS**

* Expansion and growth of programs, including e-commerce programs, within Commonwealth entities and state government will occur. In addition to the current system, the Commonwealth may expand its business or add additional capabilities or equipment, which may result in the growth of credit/debit transactions volume under this contract. No timeline is currently available, but the selected processor will be expected to work with the Commonwealth as needed with respect to the aforementioned initiatives.
* The MBTA has introduced a variety of online CharlieCard account management services, which will allow patrons to set up accounts for automatic reload of value, and passes on either a recurring monthly basis or reloading at a designated threshold. The current means of payment for these transactions is credit cards though the MBTA may eventually expand this to accept other means of electronic payment.
* Transaction capacity and testing capabilities are targeted at 100% increase in volume for processing levels.
* While some terminals throughout the Commonwealth and MBTA are currently EMV compatible EMV will need to be rolled out to more terminals including but not limited to the fare collection system and MassDOT - RMV and the Trial Courts.
* Tokenization functionality as additional security to reduce risk and costs associated with compliance is required by some entities.
* The Commonwealth is interested in reducing PCI compliance efforts and scope and is interested in alternative modes of operation that would achieve this goal and limit the involvement of Commonwealth systems in the acceptance process.
* The Commonwealth has an interest in the extent to which traditional financial industry payment cards and/or networks can be used for payment applications to complement the existing systems, such as an open financial payment system, should they meet the requirements for speed, low cost and functionality. For example, the MBTA may in the future implement the acceptance of contactless debit/credit cards directly at fare gates and fare boxes. However, this is solely at the discretion at the MBTA and is solely a potential future implementation. Vendor must be capable of processing such transactions.
* The ability to use Near Field Communication (NFC) for payment via mobile devices is also under consideration.
* The MBTA is considering implementing address verification at fare collection devices. Vendor must be able to support these transactions technically and help represent the MBTA in any needed discussions with card associations on any approvals needed prior to implementing this function. Many Commonwealth entities utilizing third party hosted payment pages currently utilize AVS and CVV.
* PIN pads will need to be maintained in compliance with VISA and MasterCard processing requirements.

**APPENDIX 1**

**CARD PROCESSING SERVICES QUESTIONAIRE**

*(If you are using a third-party processor, describe your relationship and provide answers to the following questions for both your organization and the processor.)*

1. **Processor Background**

**Safety and Soundness**

1. Indicate key measures of the processor’s financial strength (e.g. capital ratios, market capitalization, cash flow ratios, and available credit lines).
2. Provide ratings for the processor from two rating agencies (e.g., Standard and Poor’s, Moody’s).
3. Please provide a copy of your company's 10K for the period ended December 31, 2013.
4. Please provide a copy of your company's latest annual report. Describe any recent material changes subsequent to the report date.
5. Please provide evidence of compliance with associations as well as evidence of PCI compliance and SOC 1 (Service Organization Controls) reports, or its equivalent for outsourced functions to third parties. Please name the assessor.

* Does your contract acknowledge that the processor is responsibility for all third party data?
* Do you agree to maintain any association-mandated certifications that may become relevant to the Commonwealth’s bank card processing in the future, including Payment Card Industry (PCI) certification at no additional cost to the Commonwealth?

1. Please describe how your firm and all subcontractors comply with the PCI Data Security Standard (DSS) in its entirety for all payment channels and specific to various payment channels and hosting scenarios, including listing on the PA-DSS and the Visa certified service providers lists.
2. Please confirm that your firm and each subcontractor has successfully completed timely and annual assessments and validation based on the PCI DSS, identify each SAQ level, and state the date of last compliance confirmation.
3. Please identify a list of dates and general description of any data breaches for Bidder and any subcontractors and how resolved.
4. Identify any current security breaches for the Bidder or any subcontractors that are underway and not yet resolved.
5. Please describe security protocols that the Bidder and subcontractors utilize for secure data processing, transmission, and storage of confidential data.
6. Describe what steps Bidder and subcontractors will take to ensure that Commonwealth data will not be subject to a security breach, or otherwise be improperly accessed, viewed, disbursed, stolen, lost or destroyed.
7. Describe how Bidder and subcontractors will comply with Commonwealth of Massachusetts Security Policies which vendors are required to comply with: Enterprise Information Technology Policies at: <http://www.mass.gov/?pageID=itdtopic&L=2&L0=Home&L1=Policies%2c+Standards+%26+Guidance&sid=Aitd>
8. Describe how Bidder and subcontractors will comply with Commonwealth of Massachusetts Security Policies such as management of public records [G.L. c. 66](http://www.mass.gov/legis/laws/mgl/66-8.htm), protection of personal data [G.L. c. 66A](http://www.mass.gov/legis/laws/mgl/gl-66a-toc.htm), protection of private information <http://www.mass.gov/Eoca/docs/idtheft/eo504.pdf>, [Chapter 82 of the Acts of 2007](http://www.mass.gov/legis/laws/seslaw07/sl070082.htm) (An Act Relative to Security Freezes and Notification of Data Breaches), and security breaches [G.L. c. 93H](http://www.mass.gov/legis/laws/mgl/gl-93h-toc.htm) , and the Comptroller Revenue Collection Data Security Policy.
9. Bidders must execute Executive Order 504 Certification to ensure privacy and security of personally identifiable information as a condition of award of this Contract.
10. Bidder must identify where all subcontractors and merchants are physically located and whether these entities are located in the continental United States. Bidders must identify if any data travels outside the US and where the data travels or is stored (even temporarily). Preference will be given to Bidders that do not send credit card and other sensitive data outside the United States, or who have personnel that reside or work outside the United States who have remote or other access to this data within the United States.

**Personnel**

1. Provide contact information and biography of key relationship management contacts that will service the account as well as senior management.
2. How many employees does the processor have in each functional area involved in providing this service?
3. Please provide a detailed copy of your company's policy relative to:

* The prohibition of discriminatory employment practices
* Affirmative action/equal opportunity

**Experience/Competitive Position/References**

1. Where is the company’s headquarters?
2. Provide a general overview and history of your organization (organizational structure, parent, subsidiaries, and number of employees). How long have you been providing card processing services? What is the name of the sponsoring financial institution associated with Visa and MasterCard card processing?
3. Do you use a third party for any segment of the customer or card processing services? If yes, explain.
4. Specify the number of customers for which you are providing card processing services and categorize them broadly by segment (e.g., Supermarkets, Retail, Government, Transportation, and Transportation Commuter.)
5. Are you currently providing card processing for governmental agencies i.e., tax, licenses, registrations, tuition, fines, fees, and assessments? If yes, please describe and state the number of years of experience.
6. Are you currently providing card processing services to transit agencies? If yes, please describe and state the number of years of experience.
7. Do you have vendor certified interfaces with Scheidt & Bachmann’s automated fare collection applications? If yes, please describe and state the number of years of experience.
8. What is the average number of transactions currently processed daily? What is the greatest number of transactions processed in an hour? How does that compare to your current capacity? What would our volume ranking be, given our current number of transactions?
9. What is the volume of your largest customer? How do our peak periods compare to your system-wide peak periods? At what point would you need to extend your capacity and what resources would be required?
10. Provide contact information of four references, preferably similar to our organization or with comparable volumes and communication capabilities, who are currently using your card processing services.
11. Explain your company’s representation on MasterCard, Visa and other boards or committees including the PCI Council.
12. Do you provide expertise, dedicated resources and guidance to achieve PCI compliance among your merchant customers at no charge?
13. List industry-related associations or organizations of which your company is a member or in which it has direct representation.
14. List any major credit/debit card rule or policy changes your company has proposed or influenced.
15. If your organization believes a conflict of interest may arise during the course of this transaction, the nature of the conflict should be described.

**II. Transaction Processing**

**Processing Functions/Networks**

1. Using the Commonwealth’s profiles, illustrate the network connectivity requirements to support current and projected volumes. A diagram must indicate the functions performed by the vendor and those performed by others, including subcontractors.
2. Would all network connectivity to the Commonwealth and related maintenance and security be the responsibility of the card processor?
3. What backup procedures are available in the event of a network failure?
4. If the agency transmits data and there is a transmission failure, who is responsible for the notification of the failure? How will it be discovered? When and how will it be communicated?
5. Describe the system of internal controls and appropriate certifications that assure accuracy of the processing and reporting of credit/debit transaction processing.
6. When do you schedule your system down time and how long is the system not available? How do you notify the customer?
7. Please describe your stand-in processing capabilities and specific locations of backup facilities.
8. Please describe your disaster recovery plan and provide an estimate of how long it will take you to recover in the event of a disaster.
9. List any services routinely associated with payment and credit/debit card processing, that you could provide the Commonwealth.
10. Do you provide a tokenization security solution? Please describe. Is there an additional cost associated with this service?
11. Do you have the ability to process contactless bank card transactions?
12. Is there a limit to the number of cards that can be accepted and processed for partial payment transactions? Please explain.
13. Provide a copy of any terms and conditions for credit/debit card processing that the MBTA will be required to follow.
14. Please provide information on any services you provide to support international/foreign cards acceptance, including any risk considerations associated with exchange rates, chargebacks, refunds, and associated costs.
15. Do you have a separate test environment for projects in development? Multiple test environments? Are there any limitations on access to this test environment(s)?

**Authorization**

1. Do you perform an exact validation on the card number and the card expiration date on each authorization transaction?
2. Do you assign a unique identifier reference number to each authorization? Does this unique identifier stay with the transaction through settlement and reporting?
3. Provide your average response times for lease-line and dial authorization methods for both peak and normal periods.
4. Please provide your performance standards for authorizations. You may provide performance standards by method of acquiring the transaction (i.e. FVM, handheld device).
5. What are the procedures to reverse an incorrectauthorization?
6. Do you support adjustments (edits) and voids before transactions are settled?
7. Do you support reversals, hold and send transactions?
8. Describe the monitoring and notification process if a transmission fails.
9. What is your response time to return an “accept” or “decline” message to the merchant? What is the industry’s acceptable response time?

**Settlement**

1. Please provide by major brand (e.g. Visa, Amex, Discover, NYCE, etc.), the processing cut-off time for end of business day settlement transmission (including weekends and holidays).
2. What is the latest time offered to your customers for transmission of settlement transactions to meet these settlement times?
3. Can you provide next day availability of funds for all card types?
4. Do you offer expedited and standard fund schedule options? Describe when the respective funds will be available to Commonwealth, including weekends and holiday transactions. Are settlement transactions made by ACH or Fedwire?
5. Can you support batch end of day settlement files and real time settlement of transactions?
6. Can you cut-off batch activity precisely when settlement occurs? For example, if a batch is manually settled once per day at 11:58 p.m., transactions processed at 11:59 p.m., will be part of the next day.
7. Can you generate a batch reference number, which stays with the transaction throughout the payment cycle and reporting? If not, is there a transaction identifier that stays with the transaction from authorization through settlement and reporting?
8. Is terminal identification information referenced on settled transactions?
9. Do you allow for multiple settlement accounts? Are settlement amounts by terminal or batch number listed separately on the bank statement or will they appear as one lump sum? How are Saturday and Sunday activities handled?
10. Describe the monitoring and notification process if a settlement transmission fails? In other words, how do you handle suspended (failed) batch transmissions?
11. Does your system identify and eliminate duplicate transactions and batch level duplicates? Describe the procedure.
12. Describe your approach to settlement problem resolution. If the error is that of the processor, do you pick up the cost associated with any downgrades of the transactions?
13. Please describe the frequency and detail of reporting for settlement that will be provided including fields available on the reports. Are custom reports available?
14. Can gross settlement be credited to the bank account daily? Can discounts and interchange fees be settled the subsequent month on a separate invoice?
15. Can merchants individually choose to have their fees netted from proceeds or billed monthly for the prior month?

**Operations and Chargebacks**

1. Describe the ticket retrieval request process and turnaround time. What response times do you require for ticket retrieval? How do these timeframes compare to Association rules?
2. Please describe your process for handling chargebacks and customer service support. Include requirements that Commonwealth must follow to avoid receiving any losses associated with chargebacks by card type.
3. Can you establish a chargeback threshold for automatic resolution by the card processor for chargebacks below the threshold, a service we currently have today? What is the level you recommend?
4. What percentage of chargebacks is handled without merchant involvement?
5. How often are chargebacks reversed?
6. Are credit card chargebacks and other debit adjustments netted from the daily proceeds or are they debited individually? What account?
7. Is a history of chargeback information available to support research functions? For what amount of time?
8. Do you have the capability to store and retrieve transaction information for bank card transactions and non-bank card transactions? If so, do you have a system that enables the merchant to retrieve and receive this information online? How much history is available?
9. Describe your process for setting up applicable merchant/terminal numbers for all types of card transactions. Can you link the MBTA ten digit fare collection device numbers to vendor terminal numbers if different on the output reports?
10. Describe your ability to support automatic cancellation of transactions.
11. Describe the dispute process and procedures for the merchant.
12. Describe the reporting available for refunds. Can the MBTA map the refund back to the entity and do you provide summary reporting by entity for refunds on a daily or monthly report?

**Debit Card Processing**

1. Describe your debit card processing capabilities. Which networks can you use and do you direct the debit card transaction to the lowest cost network? In other words how do you select the clearing network if the related card can be used in multiple debit networks? Explain the process.
2. Describe your BIN file management capabilities and its applicability and potential benefit to the Commonwealth. What related tools might be available?
3. Describe the fraud prevention program and applications and training available to the merchant. Please also include job titles/job functions for persons who will be responsible for working directly with the Commonwealth on fraud-related matters (including day-to-day tasks as well as more long-term efforts).
4. The MBTA is considering implementing an address/zip code feature into certain transactions such as those that occur at fare collection devices (FVMs and TOMs); describe your ability to handle this type of transactions. Describe if there is a need to update the PIN pads with necessary modifications to accept these transactions and if so, describe your recommended implementation process. Should the MBTA make a final determination of its desire to implement this function, please explain how you would help the MBTA with obtaining any needed approvals from card associations, if necessary.
5. Describe your capability regarding velocity checks that can be set at the processor level for Commonwealth transactions.
6. Describe any limitations on files. e.g., number each day, records in a batch, volume per day.
7. Do you own any debit card networks?

**III. Technical Capabilities**

1. Describe the operating system platform pertinent to the recommended solution. Provide system specifications.
2. Is your processing software PCI compliant?
3. Are your upgrades to next generation or available versions provided such that we maintain our configurability (so our code maintains its compatibility)?  If not, do you support the cost of development and integration?
4. Do you have the capacity to handle a 100% increase in our transactional volumes?
5. What equipment do you recommend we obtain for processing? Do you provide this equipment for lease/sale? Provide pricing details. What is your maintenance and/or replacement policy for this equipment?
6. Describe the networking monitoring system and operation. Do you provide customer reporting on exceptions and bottlenecks? Outline the security measures in place for the protection of data transmitted for processing.
7. Describe the security measures used to prevent unauthorized user access to either system or the data.
8. Describe the security measures used to protect Internet and mobile transactions.
9. Have you experienced any data breaches in the past 3 years? If so, please explain.
10. Do you provide fraud management training or awareness programs?
11. Describe your local back up and/or redundant systems.
12. Describe your “hot-site” back-up capabilities in case of a complete site failure. How often are they tested? When was the last time you needed to use it?
13. What is the expected time frame to become operational should a catastrophic event occur?
14. What are established service levels for system availability?
15. Provide system availability statistics for the current and prior years.
16. What was the longest period you were unable to authorize transactions during the past year? Describe the situation.

**IV. ACH (WEB, CCD, TEL, POP, BOC, ARC)**

1. Describe any relationships with financial institutions, subcontractors, warranty services, or partnerships required to support ACH payments.
2. How long does it take from ACH payment to settlement in a Commonwealth bank account?
3. Describe the ACH testing process.
4. Describe security concerns both in file transmission and the protection guaranteed for each customer's bank account.
5. What is the process for ACH refunds or chargebacks? Where does this appear in transaction and deposit reports? Are there associated charges with processing ACH refunds or chargebacks to Merchant Department or customer? If so, all charges must be clearly identified in the cost section.
6. Ensure that all software, hardware, telecommunication, supplies, etc., required to process ACH BOC, POP, and ARC transactions are listed in the Hardware section.
7. Identify any additional charges that can occur related to processing ACH transactions, such as warranty service in the cost section.
8. If ACH customer support is different from credit/debit cards, please describe.
9. Are ACH payments included in the same daily transaction reports as credit cards or other payments, or in separate reports? Explain.
10. Do ACH payments appear in the same on-line deposit reports and bank account statements as credit card payments or other payments? Explain.
11. Is the ACH deposit file separate from the credit card deposit file? Explain.
12. What type of daily and monthly reporting is available to support staff in monitoring and reconciling ACH transactions?
13. Identify how the Bidder ensures compliance with NACHA, Regulation E, and other banking rules and emerging data security compliance frameworks for ACH processing.
14. Identify all potential risks to the customer and to the Commonwealth for processing ACH transactions, including identity theft and security breaches and what procedures the Bidder and subcontractors have in place to mitigate these risks.
15. Please explain options for setting up recurring payments functionality.

**V. Information Reporting**

1. Describe your reporting service options (e.g. raw data files, electronic reporting application).
2. Describe the daily and/or monthly reconciliation reports available to the merchant. Provide examples of standard reports and ad hoc reports available. Define the method of access and delivery timeframes.
3. Provide a complete description of how electronic files are provided, the format options, availability, frequency and if the file falls under PCI controls. Include a spec of the transaction elements available, e.g. merchant DBA name, merchant ID, chain ID, store ID, terminal ID, amount, transaction date, settlement date, transaction type status, fees, chargebacks, card type, etc.
4. Would you "push" the file to our Secure FTP location or do we have to get it from you?
5. Please advise the support level you will provide to develop the reporting interface? Staff support, financial support. Include an estimate of development time.
6. If data is accessed electronically, what are the restrictions on the timeout process that would impede the electronic download of information?
7. If a merchant needs reports from a previous period or a specific timeframe, are they readily available? How long is reporting and historical information stored and retrievable in your system?
8. Describe the multiple tiered merchant hierarchy structure, how it is reported and the flexibility afforded the merchant for customizing the reports. E.g., tailoring, grouping and roll-ups. Please advise also if the hierarchy structure is used for invoicing purposes as well.
9. Are there reports designed around fraud? Describe. Do you have the ability to report on stolen cards as a reason for chargebacks? Can you advise/report if the card that is lost or stolen has been used within the last day/week in the fare collection system?
10. Describe your reporting capabilities for velocity checks that are set at the processor level (if available).
11. Describe your reporting capabilities for exception management processing. For example, do you have the systematic capability to identify and report on such items as double charges, refunds and chargebacks that would facilitate the research and resolution of exception transactions? Do you provide separate reports so that these items can be mapped back to a specific entity or location with summaries and totals possible at the entity level?
12. Can you provide one report including select merchants to an oversight agency in the Commonwealth relationship on a monthly and annual basis including all transaction volume, amounts, and fees?
13. Is your online information reporting system owned or operated internally, or is the system outsourced through a third party?

**VI. Customer Service and Quality**

1. Describe your customer service function and organizational structure including hours of operation, established turnaround times, record for meeting them, regular client meetings and technical support. Do you have 24/7 technical support coverage?
2. Is the customer service function performed in-house, or is it outsourced?
3. Contractors must notify the Contract Manager at any time during the Contract if any customer support service locations are changed and if services are moved out of the Continental United States. Contractors will be responsible for ensuring the security of all data and communications with customer support personnel from any location despite local rules governing the security of data or transmissions. Confirm the ability to comply with this requirement and what steps will be taken to guarantee the security of all communications and transmissions with customer service personnel.
4. Will there be a dedicated engagement manager deployed to the Commonwealth relationship and what percentage of their time will be dedicated to the Commonwealth? Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution. Describe your quality improvement program for card processing. What key performance measures do you track?
5. Describe the capabilities you offer to process refunds directly through your company as opposed to automated refunds that may be processed through the MBTA’s fare collection system. For example, if a processing difficulty is encountered and a data file of refunds needs to be processed what capabilities do you have to accommodate this type of situation?
6. Explain the control process for adding new locations and closing existing locations, including the process for the Commonwealth to request new merchant/terminal ID numbers and the turnaround time for activation. In your response, please address your process to ensure American Express is contacted to affirm their acceptance of transactions from new locations and terminals.
7. Does your customer service staff support the terminals/handheld devices/hardware previously listed, including support during installation, setup, and testing of the terminal? Describe the types of orientation and training programs you will make available, including the number, length, and type of both on-site and on-line training Do you provide assistance with permanent labeling of terminal IDs, merchant IDs etc. on portable terminal devices?
8. State the recent MasterCard and Visa Association requirements and any pending requirements that may impact the Commonwealth.
9. Will you offer periodic consultations on the efficiency of the design of the system if changes are necessitated, given changes in regulations or improvements to your service offering during the life of this contract?

**VII. Implementation**

1. Describe your experience with implementing card processing solutions utilizing direct interface connectivity as well as solutions utilizing third party ISPs to integrate mobile and e-commerce applications.
2. Describe the merchant implementation process, for example, the on-boarding process for new customers, handling test transactions (for direct connections, internet connections, and vendor supplied hand held device) and certification, timeframes and milestones.
3. For the MBTA, describe in detail the implementation plan (technical and functional service) including a timeline and related costs to establish your organization as the processor for all card transactions coming through the fare collection system, internet and dial –up processes e.g. establishing and certifying the interfaces and setting up applicable merchant and terminal numbers for all card types. Include lead time for implementation of communication networks. Explain how you would analyze and migrate the MBTA's configuration data (device numbering, etc.) to your platform.
4. For the Commonwealth non-MBTA, describe your transition plan (including timeline and related costs) to migrate existing payment pages, IVR, and point of sale implementations to your platform for all payment types.
5. Explain how you would advise the Commonwealth of best practices for configuration and management of the data so that reporting capabilities are maximized.
6. Describe the merchant training process including initial training, ongoing training, and updates on regulatory changes.
7. As part of the implementation and on-going operations, can you provide the ability for the Commonwealth to inject encryption into PIN pads? Please provide recommended procedures for encryption key security.
8. Describe in detail the implementation plan including a timeline and costs to implement value added services such as BIN management software, risk and fraud management tools that you recommend for improving the efficiency and effectiveness of the system.
9. Describe in detail the implementation plan (technical and functional service) including a timeline and costs to implement compliant PIN pads. Please address whether multiple types of PIN pads (on one application) can be supported simultaneously and define the responsibilities between vendor and the MBTA regarding the rollout of the on-site installation.
10. Do you provide a newsletter covering industry issues, rules, and regulations? How often is this distributed?
11. Will you provide a Project Manager for the conversion that will be the single point of contact?
12. Do you use industry standard record, file and communication specifications for credit card and debit card authorization and settlement? Do you use the current ISO 8583 and are you capable of accommodating a variety of legacy systems currently in place? Will you provide in writing what applies to agency from the ISO8583 specifications as there are slightly different rules for “government?
13. Do you use industry standard record, file and communication specifications for ACH-based electronic check payments and settlement? Do you use the current NACHA specification?
14. Will you provide the merchant departments with all appropriate documentation with high quality content in standard electronic files that can be read with existing software at the user site?  Do you use the Adobe Acrobat format?
15. Do you use an ODFI for ACH transaction processing?
16. Will you organize the project such that vendor signoff is obtained at the various milestones, indicating an understanding of the requirements and that the approach will be satisfactory for certification?
17. Will you provide a Certification Analyst at the beginning of the project to work hand in hand with the project managers and the project team?
18. Do you periodically communicate in writing all updates to Credit Card Standards?
19. Will you actively participate in pre-certification testing and certification testing according to the agency’s timeline schedule, with same day or next day turn-around for analysis resulting from testing?
20. Will you prioritize and escalate complicated questions raised by the team for resolution in a timely fashion so that target dates and milestones are not compromised?
21. Will you provide a secure method of transmitting the credit card data to and from the project team during development and testing?
22. Are you willing to provide proof, via written document, that they secure all financial Data in addition to PCI compliance for Credit Cards?  This document will be reviewed and approved by the applicable agency based on their Security standards.
23. Do you offer a form of random credit card number reassignment so that MassDOT does not store credit card numbers?
24. Will you provide a customized test script that lists transactions that must be entered for certification and expected results for government certification along with an initial draft prior to completion of the Functional Design along with the final copy prior to the start of Unit testing?
25. Do your test cards accept varying amounts and not a restricted amount? Do the test cards include debit cards, pre-paid cards and cards that can be “swiped” and entered manually or used on live data? Describe the process to renew the cards.
26. Describe your support structure after conversion date during a warranty period. Define your warranty period used to work out transaction issues after “go live” date.

**VIII. Invoicing**

1. Confirm compliance with Massachusetts General Law, Chapter 30, Section 27 that states if a Contractor assists a Department in the collection of revenue, the total of all revenues collected must first be deposited and accounted for in the state accounting system prior to payment being made to the Contractor (i.e., no “netting” of revenues and fees).
2. Confirm that invoices are written in user-friendly language, that each different fee category contained in each invoice is clearly identified and described, and that all terminology is explained. Please provide examples or sample invoices.
3. Confirm that all charges reference and are in compliance with the agreed-upon fee schedule(s) selected by that Department. Departments should be able to easily match the fees listed on the invoice with the fee schedule(s) agreed upon.
4. Confirm that any additional fees that may be included for any reason are identified and itemized even if included in bundled rates and that the billing code and description for any charge that may appear on an invoice are identified.
5. Most non-MBTA Commonwealth eligible entities must receive a monthly paper bill for all transaction fees; fees may not be netted from gross proceeds at settlement or on a monthly basis.  Is there a pricing differential for this invoicing model?
6. Confirm that separate invoices will be prepared for each different Merchant ID. In addition, for a Department that uses more than one Merchant ID, confirm that there will be one roll-up report containing the information for all of that Department’s Merchant IDs.
7. Confirm that invoices will be based on the previous calendar month’s activity.
8. Confirm that paper invoices will be mailed directly to the responsible Department(s) representing the previous month's activity if paper invoices are requested.
9. Confirm that electronic invoices will be sent directly to the responsible Department(s) representing the previous month's activity.
10. Confirm that all fees will be paid monthly in arrears.
11. Confirm that you cannot terminate the Contract or services or institute late fees for receiving less than the invoiced amount.
12. Specify the number of decimal points you round to when calculating transaction fees, and when this rounding occurs (per transaction, daily, monthly, etc.).
13. Identify all electronic invoicing options available to Department Merchants and associated costs. Provide a recommendation as to the most efficient and cost effective option for Department Merchants.
14. State the various formatting options available for invoices and whether invoices can be customized for Departments. Provide samples (attach).
15. Confirm that monthly reports including all departments using the contract, payment methods implemented by department, number of transactions by payment method, total dollar amount by method, and fees will be sent to the Office of the Comptroller.

**IX Pricing**

1. Please prepare the Pro Forma Pricing for a 5, 1, 1 year and a 7, 1, 1 year contract with consideration to all costs. Please provide a listing of the fees for services that are not included in the transaction price. Ensure that this list is inclusive of all possible charges including monthly access fees, credentialing, or access to merchant reporting portals. The Commonwealth will not pay any charges that are not contained in this schedule.
2. Please quote transaction prices for each type of card. If you use a tiered pricing scale quote your prices based on the scale. The monthly volumes noted are representative of volumes today. Interchange and processing fees are to be presented.
3. Are discount fees calculated on gross or net sales?
4. How and when is the customer notified of price adjustments?
5. Please identify an estimated cost of the frame. Who pays monthly charges? Please define the responsibilities related to the setup of the router and the hardware for the frame. Who will procure the router if a new one is needed? Who is responsible for the installation?
6. Whose responsibility is it to pay the monthly charges for the ISDN back-up? If new or additional hardware is required, whose responsibility is it to procure, install and cover the cost?
7. Identify if there are any additional hardware and software costs along with the related responsibilities for procurement, installation and payment, e.g. costs associated with the development of the interfaces.
8. Will you supplement the development cost of each direct interface or certification to your applications? Will you supplement the development cost of upgrades for compliance with association requirements when changes in code are required under the life of the contract?
9. Please provide a current schedule of applicable Visa and MasterCard fees (each of the MCC codes as appropriate) as well as a debit network fee schedule.

**APPENDIX 2**

**PRICING PRO FORMA**

|  |  |  |  |
| --- | --- | --- | --- |
|  | |  | |
| **Show Pro Forma pricing for contract terms 3,1,1 and 5,1,1**   1. **Processing Fee - Card Transactions** | |  | | | |
|  |  |  |  | |  |
|  | 3,1,1 | 3,1,1 | 5,1,1 | | 5,1,1 |
| **A. Volume Threshold : Tiered Pricing** | **Processing Fee** | **Processing Fee** | **Processing Fee** | | **Processing Fee** |
| **Credit interchange payment** | **(Daily netting)** | **(Monthly invoicing)** | **(Daily netting)** | | **(Monthly invoicing)** |
| **Credit and debit card transactions** |  |  |  | |  |
| **Current estimated annual volume 27.6 million annually or 2,300,000 monthly** |  |  |  | |  |
| ***(Example)*** |  |  |  | |  |
| **1 - 1,000,000** |  |  |  | |  |
| **1,000,001 < 1,100,000** |  |  |  | |  |
| **1,100,001 < etc.** |  |  |  | |  |
|  |  |  |  | |  |
| **B. Single Processing Fee, no tiered pricing** |  |  |  | |  |
|  |  |  |  | |  |
| ***If applicable:*** |  |  |  | |  |
| **Dial up Charge\*** |  |  |  | |  |
| **Internet Charge\*** |  |  |  | |  |
| **Operator Assisted Voice Transactions\*** |  |  |  | |  |
| ***Digital Voice Response (“DVRS”)\**** |  |  |  | |  |
| ***\* Please advise if this is inclusive of the processing fee or in addition to the processing fee*** |  |  |  | |  |
|  |  |  |  | |  |
| **Discover Communication fee** | waived |  |  | |  |
| **AMEX Transaction Surcharge** | waived |  |  | |  |
| **Discover - Transaction Surcharge** | waived |  |  | |  |
|  |  |  |  | |  |
|  |  |  |  | |  |

**II. Additional Charges**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pricing Pro Forma - Other Charges** | |  |  |
| **Show Pro Forma pricing for contract terms 5,1,1 / 7,1,1** | | |  |
| **Description** | **Price** | **Terms**  ***Insert N/A if not applicable*** | **Additional Terms and Comments** |
| Auto-Chargeback Handling Fee |  |  |  |
| Chargeback and Adjustments |  |  |  |
| Refunds |  |  |  |
| Tokenization |  |  |  |
| Dial-up Surcharge |  |  |  |
| Retrieval Request/Document Image Fee |  |  |  |
| Proprietary Application Reporting System |  |  |  |
| Phone Authorizations |  |  |  |
| Wire Funding Fee | waived |  |  |
| ACH Funding fee | waived |  |  |
| Support Fee/Terminal Software Usage | waived |  |  |
| Network Fee/ Pin/Pinless Debit Network Sponsorship | waived |  |  |
| Diner’s Club/American Express/Carte Blanche/Discover/ Check Guarantee Surcharge Fee | waived |  |  |
| Customer Reporting Application Access/ Additional users |  |  |  |
| Daily Custom Settlement Data File Fees |  |  |  |
| Other |  |  |  |
| Signing Bonus |  |  |  |
| **ACH Fees** |  |  |  |
| ACH Per item fee |  |  |  |
| ACH Warranty Services |  |  |  |
| Supplies |  |  |  |

**III. Communication and Equipment**

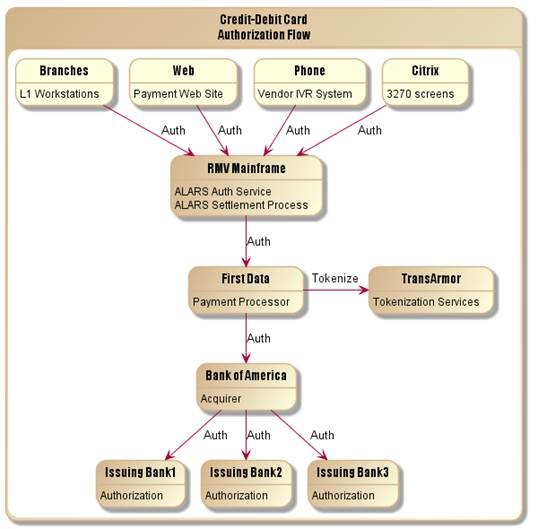
|  |  |  |  |
| --- | --- | --- | --- |
| **Communication Quote** |  |  |  |
| **Communication Costs:** | **Quantity** | **Monthly** | **One Time** |
| Circuit Fee |  |  |  |
| Circuit Installation |  |  |  |
| ISDN Backup - Interface Required |  |  |  |
| Router Configuration |  |  |  |
| Router Maintenance |  |  |  |
| Circuit Management |  |  |  |
| Equipment Installation |  |  |  |
| PVCs (permanent virtual circuit) |  |  |  |
| Surcharge for ISP |  |  |  |
| Surcharge Wireless |  |  |  |
| Other |  |  |  |
| Unusual or additional assistance or technical support\* |  |  |  |
|  |  |  |  |
| \* state the hourly rate and minimum hours applied | |  |  |
|  |  |  |  |
|  | | | |
|
| **Show Pro Forma pricing for contract terms 5,1,1 / 7,1,1** | | |  |
| **Equipment Schedule** | **> 24 months** | **> 36+ months** | **One Time** |
|  | **Rental** | **Rental** |  |
| **POS Equipment** |  |  |  |
| Omni 3200SE or equivalent |  |  |  |
| Verifone, Vx610, 6Mb, Sierra CDMA, Wireless/Terminal/Printer/PIN Pad/SCR |  |  |  |
| VFN, Vx570, 12Mb, Dial 14.4/Ethernet, Terminal/Printer/PIN Pad/SCR |  |  |  |
| VFN, Vx570, 12Mb, Dial 14.4/Ethernet, Terminal/Printer/PIN Pad |  |  |  |
| VFN, 1000SE, 180, PIN Pad |  |  |  |
| Optimum T4205  Hypercom |  |  |  |
| Etc. |  |  |  |
| Deployment |  |  |  |
| Web-Based Virtual Terminal | if any |  |  |
| **Miscellaneous Related Fees** |  |  |  |
| PIN Pad Injection | if any | if any | if any |
| Shipping | if any | if any | if any |
| Terminal Reprograming Fee | if any | if any | if any |
| External Check Reader/PIN Pad Reprograming Fee | if any | if any | if any |
| Terminal Swap Fee | if any | if any | if any |
| External Check reader/PIN Pad Swap Fee | if any | if any | if any |
| **Other** |  |  |  |

**APPENDIX 3**

**MassDOT – REGISTRY OF MOTOR VEHICLES (RMV)**

The Massachusetts Registry of Motor Vehicles is the part of the Massachusetts Department of Transportation (MassDOT) responsible for the issuance of vehicle registrations and driver licenses through 30 branch offices. There are approximately 5.4m registered vehicles and 5.5 million licensed drivers. Credit, debit, and e-check transactions are processed through branch offices, the web portal, kiosks and IVR system over the central computer application. MassDOT - RMV generates approximately $1B in annual revenue. The agency is focused on providing alternative methods for individuals and business partners to transact business including internet offerings and electronic registrations. MassDOT - RMV is in the process of replacing its 28 year old mainframe system and expanding its self-service and business partner capabilities.

MassDOT - RMV currently accepts Visa, Discover, AMEX and MasterCard via any of our channels.



In the branch office, MassDOT - RMV utilizes a PIN pad, but does not require the customer to sign for the transaction regardless of the value of the transaction. The major reason for this is the rate does not vary based on the presence of a signature. Additionally, MassDOT - RMV also uses the PIN pad to collect a signature for the driver license transaction. In both of these cases, the presentation on the PIN pad is under the control of MassDOT - RMV software. Note: in the case of signature collection, MassDOT - RMV requires a minimum pixel density of 300dpi and is very sensitive to the customers’ ability to sign in a manner that results in a reasonable representation of their signature as it is what will appear on a driver’s license.

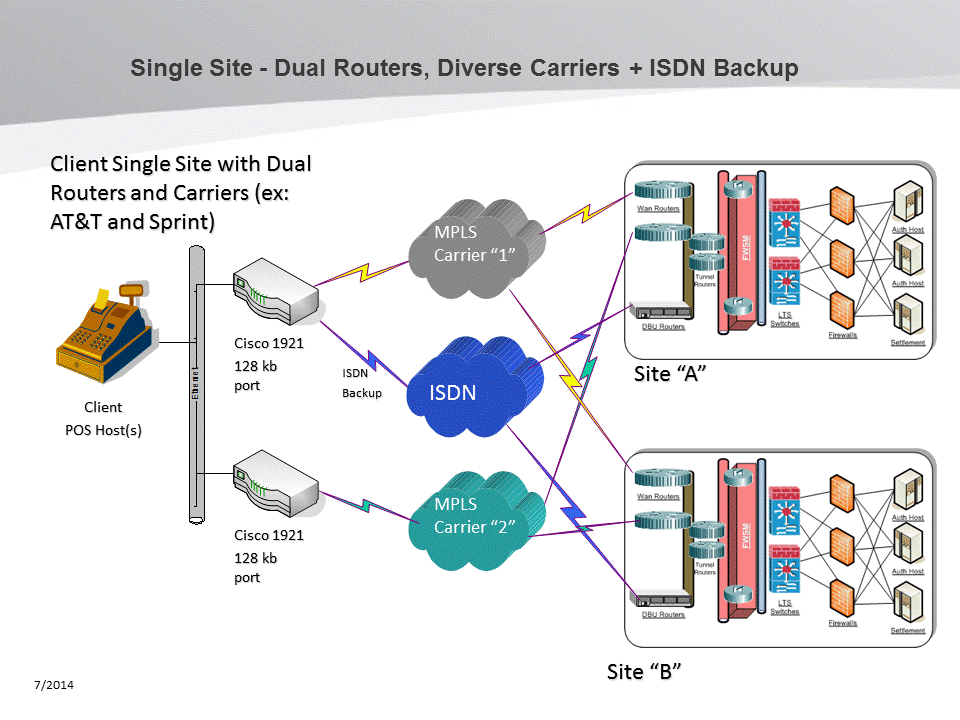
Under the current configuration, MassDOT - RMV assigns merchant numbers based on either location (branch office) or venue (Internet, IVR etc.).

**MassDOT - RMV Annual Transaction Volumes**

|  |  |  |
| --- | --- | --- |
|  | Transactions | Revenue |
| Credit Card POS | 644,589 | $ 42,199,430.71 |
| Internet and IVR Credit Card | 1,764,836 | $104,003,591.43 |
| Total Credit Card | 2,409,425 | $146,203,022.14 |
| Total Debit Card | 200,581 | $ 10,122,005.00 |
| Total Echeck | 206,389 | $ 14,646,495.36 |

**Note**: credit/debit/e-check are currently not accepted for most registration transactions in our branch offices. Moving forward, MassDOT - RMV’s goal is to standardize our payment methods and by doing so we expect the volume to roughly double and the revenue to at least triple (registration transactions have a higher per transaction value.

**MassDOT - RMV ISDN Back-up Requirement**



**APPENDIX 4**

**MassDOT- HIGHWAY DIVISION – MassPike (I-90) TOLL ROAD FACILITIES**

MassDOT currently operates and maintains several toll roadway facilities within the Commonwealth. The toll facilities, collectively known as the “MassPike”, cover the I-90 highway corridor, Sumner/Callahan Tunnels, Ted Williams Tunnel and the Tobin Bridge. Currently, tolls are collected using traditional manual cash collection combined with Electronic Toll Collection (ETC) via Automatic Vehicle Identification (AVI) transponders (i.e., E-ZPass) and violation processing. Additionally, MassDOT is a member of the E-ZPass Interagency Group (IAG – aka, the E-ZPass Group). E-ZPass provides account holders interoperability with 25 member Agencies in 15 states with a circulation of over 24 million valid E-ZPass transponders. On an annualized basis, E ZPass accounts for over 72% of all transactions taking place at MassDOT toll facilities.

MassDOT is converting its toll collection process to an All Electronic Tolling (AET) System. This program will involve the removal of toll plaza cash collection and the elimination of the ticket system for toll collection. Toll collection will be automated through E-ZPass and Image Based Tolling (IBT) with no in-lane toll payments accepted. IBT will consist of capturing vehicle license plate images when a valid E-ZPass transponder is not detected on a vehicle, with the customer being identified through motor vehicle registration records for processing purposes. The Tobin Bridge toll system is being converted to AET in the spring of 2014 and the remainder of the system will be converted during 2016. MassDOT operates the MassDOT E-ZPass MA Customer Service Center (CSC), which performs tag distribution, account management, payment processing, call center duties, walk-in center services, violation processing, and other activities typical of a full-service E-ZPass service center.

All Electronic Tolling (AET) programs involve the collection of tolls through automated means, taking place in an open road setting (Open Road Tolling or ORT) with no in-lane cash collection. An AET facility is one that does not allow the customer to tender cash as a method of payment while they are on the roadway. Payment is collected via Automatic Vehicle Identification (AVI) transponders (i.e., E-ZPass) or by capturing vehicle license plate images (i.e., PAY BY PLATE MA). In MassDOT’s planned AETS environment, Toll Zones will be placed strategically along/over the roadway to detect, classify, and identify vehicles (either through Automatic Vehicle Identification or Image Capture) for the creation of a Transaction. These Transactions occurring at each Toll Zone will be transmitted to the AET Host System (AHS, provided by others) to be compiled, processed, and matched for purposes of building vehicle Trip Transactions. Trip Transactions will be transmitted to the CSC for posting to E-ZPass (E-ZPass MA or IAG E-ZPass) or PAY BY PLATE MA accounts.

E-Z Pass and PAY BY PLATE account customers have the option to replenish or pay their accounts either by credit/debit card or ACH. The MCC code is 4784 (Tolls and Bridge Fees)

The application requires a primary and Disaster Recovery (DR) site, each with access to processing cards. The application requires redundant access to the card processing center with either a direct interface or connectivity through the internet.

**FY2014 MassDOT -MassPike Transactions and Revenue for all Toll Interchanges**

**Toll Collection Toll Transactions Toll Revenue**

Electronic -Transponder 156,250,482 $251.7 million

Manual Lane Cash 52,784,288 $ 89.0 million

Totals 209,034,770 $340.7 million

**CY 2013 MassDOT- MassPike (Card) Volume**

EZPass Program

Total Transactions                                  4,831,186

Total Sales $                                     $221,297,784

Average Ticket (Trans amount)                  $45.81

Violation Enforcement System (VES)

Total transactions        86,140

Total Sales $                  $6,471,862.33

Average ticket           $75.14

Estimated (future) Tobin Pay By Plate Pilot Program:

Annual volume  1,000,000

Average ticket  $18.00

Total estimated credit card transaction volume for MassPike 5,917,326

**APPENDIX 5**

**OPERATIONS SERVICES DIVISION’S 801 CMR 21.00 TERMS AND CONDITIONS**

**(Non-MBTA Commonwealth Entity Statewide Contract requirements)**

**Ink Signatures**

*Original ink signatures are required only after contracts have been awarded*. The Commonwealth of Massachusetts requires Contractors to submit original ink-signature versions of the following forms:

**Standard Contract Form**

**Commonwealth Terms and Conditions**

**Contractor Authorized Signatory Listing**

**Request for Taxpayer Identification and Verification (Mass. Substitute W-9 Form).**

Successful Bidders who signed these forms electronically via COMMBUYS must still submit the above forms with ink signatures upon award notification or their contract may not be executed by the Commonwealth. (See more detailed instructions that follow below.) Bidders who have previous contract(s) with the Commonwealth and have up-to-date, ink-signature versions of the Commonwealth Terms and Conditions and Request for Taxpayer Identification and Verification (Mass. Substitute W-9 Form) on file with the Office of the State Comptroller may submit copies of the signed forms. However, a new Standard Contract Form and Contractor Authorized Signatory Listing with original ink signatures must be submitted for each new contract with the Commonwealth.

**Instructions for Execution and Submission of Commonwealth Standard Forms**

The purpose of this appendix is to provide guidance to Bidders on the Commonwealth Standard forms to be submitted (in addition to the other forms and documents required) and how they must be executed and submitted. Please note that these instructions are meant to supplement the instructions found on each of these forms. It is advisable to print this document first so that it may be referenced when filling out these forms.

Some of the forms listed below can be electronically signed by the Bidder, see [Electronic Signatures](#_Electronic_Signatures). However, online Bidders must, if notified of Contract award, submit the following four (4) forms on paper with original ink signatures unless otherwise specified below, within the timeframe referenced in the RFP section entitled [Ink Signatures](#_Ink_Signatures): the Commonwealth Standard Contract Form, the Commonwealth Terms and Conditions, the Request for Taxpayer Identification Number and Certification (Mass. Substitute W9 Form) and the Contractor Authorized Signatory Listing.

**Commonwealth Standard Contract Form**

Complete as directed below and submit on paper with original ink signature and date.

By executing this document the Bidder certifies, under the pains and penalties of perjury that it has submitted a Response to this RFP that is the Bidder’s Offer as evidenced by the execution of its authorized signatory, and that the Bidder’s Response may be subject to negotiation by the Selection Team. Also, the terms of the RFP, the Bidder’s Response and any negotiated terms shall be deemed accepted by the Operational Services Division and included as part of the Statewide Contract upon execution of this document by the State Purchasing Agent or his designee.

If the Bidder does not have a Vendor Code beginning with “VC,” or does not know what their Vendor Code is, the Bidder should leave the Vendor Code field blank. The Bidder should NOT enter a Vendor Code assigned prior to May 2004, as new Vendor Codes have been assigned to all companies since that time.

Signature and date MUST be handwritten in ink, and the signature must be that of one of the people authorized to execute contracts on behalf of the Contractor on the Contractor Authorized Signatory Listing (See below).

**Commonwealth Terms and Conditions**

Sign electronically as described above; **if notified of Contract award**, complete as directed below and submit on paper with original ink signature and date, or submit a copy of a previously executed, up-to-date copy of the form as directed below.

If the Bidder has already executed and filed the Commonwealth Terms and Conditions form pursuant to another RFP or Contract, a copy of this form may be included in place of an original. If the Bidder’s name, address or Tax ID Number have changed since the Commonwealth Terms and Conditions form was executed, a new Commonwealth Terms and Conditions form is required. The Commonwealth Terms and Conditions are hereby incorporated into any Contract executed pursuant to this RFP.

This form must be unconditionally signed by one of the authorized signatories (see Contractor Authorized Signatory Listing, below), and submitted without alteration. If the provisions in this document are not accepted in their entirety without modification, the entire Proposal offered in response to this Solicitation may be deemed non-responsive.

The company’s correct legal name and legal address must appear on this form, and must be identical to the legal name and legal address on the Request for Taxpayer Identification and Certification Number (Mass. Substitute W9 Form).

**Request for Taxpayer Identification Number and Certification (Mass. Substitute W9 Form)**

Sign electronically as described above; **if notified of Contract award**, complete as directed below and submit on paper with original ink signature and date, or submit a copy of a previously executed, up-to-date copy of the form as directed below.

If a Bidder has already submitted a Request for Taxpayer Identification and Certification Number (Mass. Substitute W9 Form) and has received a valid Massachusetts Vendor Code, an original W-9 form is not required. A copy of the form as filed may be included in place of an original. If the Bidder’s legal name, address or Tax ID Number have changed since the Mass. Substitute W9 Form was executed, a new Mass. Substitute W-9 Form is required. The information on this form will be used to record the Bidder’s legal address and where payments under a State Contract will be sent. The company’s correct legal name and legal address (on file with the IRS) must appear on this form, and must be identical to the legal name and legal address on the Commonwealth Terms and Conditions. Please do not use the U.S Treasury’s version of the W-9 Form.

**Contractor Authorized Signatory Listing (CASL)**

Sign electronically as described above; **if notified of Contract award**, complete as directed below and submit on paper with original ink signature and date.

In the table entitled “Authorized Signatory Name” and “Title,” type the names and titles of those individuals authorized to execute contracts and other legally binding documents on behalf of the Bidder. Bidders are advised to keep this list as small as possible, as Contractors will be required to notify the Procurement Manager of any changes. If the person signing in the signature block on the bottom of the first page of this form will also serve as an “Authorized Signatory,” that person’s name must be included in the typed table.

With regard to the next paragraph, which begins “I certify that I am the President, Chief Executive Officer, Chief Fiscal Officer, Corporate Clerk or Legal Counsel for the Contractor…,” if your organization does not have these titles, cross them out and handwrite the appropriate title above the paragraph.

The signature and date should be handwritten in ink. Title, telephone, fax and e-mail should be typed or handwritten legibly.

The second page of the form (entitled “Proof of Authentication of Signature”) states that the page is optional. However, the “optional” aspect of the form is that Commonwealth Departments are not required to use it. In the case of Statewide Contracts, this page is REQUIRED, not optional. The person signing this page must be the same person signing the Standard Contract Form, the Commonwealth Terms and Conditions, and the RFP Checklist.

Please note that in two places where the form says “in the presence of a notary,” this should be interpreted to mean “in the presence of a notary or corporate clerk/secretary.” Either a notary or corporate clerk/secretary can authenticate the form; only one is required.

Organizations whose corporate clerks/secretaries authenticate this form are not required to obtain a Corporate Seal to complete this document.

**Supplier Diversity Program Plan Form (SDP)**

Download this form and complete; include with online submission. Ink signature is not required.

Bidder’s Supplier Diversity Program Plan must include a copy of the SDO certification of each Minority and Women Business Enterprise (M/WBE) company listed. A certified Bidder may not list itself as being a Supplier Diversity Program Partner to its own company. This form is NOT the same as the SDO certification of the Bidder’s company.

Massachusetts Executive Order 524 established a policy to promote the award of State Contracts in a manner that develops and strengthens Minority and/or Women Business Enterprises (M/WBEs).  All Bidders, regardless of their certification status, are required to submit a completed SDP Plan Form as part of their Response for evaluation.  It is required that Supplier Diversity Program participation accounts for no less than 10% of the total points in the evaluation. Higher evaluation points may be awarded to SDP Plans that show more commitments for use of certified vendors in the primary industry directly related to the scope of the RFP, subcontracting expenditures and partnerships for the purpose of contracting with the Commonwealth.

The Statewide Contract requires Bidders to make a significant commitment to partner with certified Minority- and Women-Owned Businesses in order to be awarded a Contract.  An SDO-certified (formerly SOMWBA-certified) Bidder may not list itself or an affiliate as being a Supplier Diversity Partner to its own company. In addition, a narrative statement can be included to supplement the SDP Plan Form providing further details of the SDP commitments. The submission of this narrative statement does not replace the requirement of the SDP Plan Form. Bidders must submit one form for each M/WBE SDP Relationship. Please note that no Bidder will be awarded a Contract unless and until they agree to commit to at least one (1) of following (2) two SDP Components. The Response must provide details of the commitment.

**SDP Subcontracting**

If Bidder commits to Subcontracting in their SDP plan, then they must commit to subcontract a specific dollar amount, or a minimum percentage of dollars earned through an awarded Contract, with an SDO-certified company.   Although this is only one of several options to meet the requirements for participation in the Supplier Diversity Program, Bidder’s submission of subcontracting commitments may be weighted most heavily. The Selection Team will set timelines for progress reviews (either quarterly or semi-annually) for the purpose of compliance and tracking of submitted commitments. Please note that all subcontracting partnerships require inclusion of that contract between the Bidder and the M/WBE subcontractor in the Bidder’s bid package.

**Ancillary Uses of Certified M/WBE Firm(s)**

If a Bidder commits to Ancillary Uses of certified M/WBE Firm(s) in their SDP plan, then they must include dollar or percentage expenditure commitments for use of these firm(s) with or without the use of written commitments between the Bidder and the M/WBE Firm(s).  A description of the ancillary uses of certified M/WBEs, if any, must be included on the SDP Plan Form.

**Prompt Payment Discount Form**

Download this form and complete as directed below; include with online submission. Ink signature is not required.

Statewide Contractors are required to provide Prompt Payment Discounts (PPD) for any payments made in less than 45 days. Prompt Payment Discounts are in addition to any reductions in pricing provided on a per unit or hourly basis or any bulk purchasing discounts.

Pursuant to the Prompt Payment Discount terms set forth in the RFP Required Specifications for Statewide Contracts and on the Prompt Payment Discount Form itself, all Bidders must execute this form. After entering the “Bidder Name” and “Date of Offer for Prompt/Early Payment Discount”, the Bidder must identify the prompt payment discount(s) terms by indicating the “Percentage Discount off of the Proposed Pricing” and the “Turn-around-time for Payments.” In the event of a hardship that prevents the Bidder from offering a prompt payment discount, the Bidder must document this fact and provide supporting information.

If awarded a contract, the final negotiated Prompt Pay Discounts should be reflected on the Commonwealth Standard Contract Form.

The terms of [801 CMR 21.00](http://www.mass.gov/anf/docs/osd/policy/801cmr21.doc): Procurement of Commodities and Services are incorporated by reference into this RFP. Words used in this RFP shall have the meanings defined in 801 CMR 21.00. Additional definitions may also be identified in this RFP. Unless otherwise specified in this RFP, all communications, Responses, and documentation must be in English and all cost proposals or figures in U.S. currency. All Responses must be submitted in accordance with the specific terms of this RFP.

**General Procurement Information**

**Costs**

Costs that are not specifically identified in the Bidder’s Response, and accepted by the Selection Team as part of a Statewide Contract, will not be compensated under any Statewide Contract or engagement awarded pursuant to this RFP. The Commonwealth will not be responsible for any costs or expenses incurred by Bidders responding to this RFP.

**Electronic Funds Transfer (EFT)**

All Bidders must agree to participate in the Commonwealth Electronic Funds Transfer (EFT) program for receiving payments. A link to the EFT application can be found on the [OSD Forms](http://www.mass.gov/portal/index.jsp?pageID=osdmodulechunk&L=1&L0=Home&sid=Aosd&b=terminalcontent&f=osd_forms&csid=Aosd) page ([www.mass.gov/osd](http://www.mass.gov/osd)). Additional information about EFT is available on the Comptroller’s [VendorWeb](https://massfinance.state.ma.us/VendorWeb/vendor.asp) site located at: <https://massfinance.state.ma.us/VendorWeb/vendor.asp>.

Upon notification of award, Contractors are required to enroll in EFT by completing and submitting the “Authorization for Electronic Funds Payment Form” to the Selection Team for review, approval and forwarding to the Office of the Comptroller, unless already enrolled in EFT.  A link to the EFT application can be found on the Comptroller’s Vendor Web site (see above link).  This form, and all information contained on this form, shall not be considered a public record and shall not be subject to public disclosure through a public records request.

**Minimum Bid Duration**

Bidders’ Responses to this RFP must remain in effect for at least 90 days from the date of Response submission.

**Ownership of Submitted Responses**

The Selection Team shall be under no obligation to return any Responses or materials submitted by a Bidder in response to this RFP. All materials submitted by Bidders become the property of the Commonwealth of Massachusetts and will not be returned to the Bidder. The Commonwealth reserves the right to use any ideas, concepts, or configurations that are presented in a Bidder’s Response, whether or not the Response is selected for Contract award.

**Prohibitions**

Bidders are prohibited from communicating directly with any employee of the procuring Department or any member of the Selection Team regarding this RFP except as specified in this RFP, and no other individual Commonwealth employee or representative is authorized to provide any information or respond to any question or inquiry concerning this RFP. Bidders may contact the contact person using the contact information provided in this RFP in the event that this RFP is incomplete or information is missing. Bidders experiencing technical problems accessing information or attachments stored on COMMBUYS should contact the [COMMBUYS Helpdesk](#_SmartBid_Support).

In addition to the certifications found in the Commonwealth’s Standard Contract Form, by submitting a Bid Response, the Bidder certifies that the Response has been arrived at independently and has been submitted without any communication, collaboration, or without any agreement, understanding or planned common course or action with, any other Bidder of the commodities and/or services described in the RFP.

**Public Records Law**

All Responses and information submitted in response to this RFP are subject to the Massachusetts Public Records Law, M.G.L., Chapter 66, Section 10, and to Chapter 4, Section 7, and Subsection 26. Any statements in submitted Responses that are inconsistent with these statutes shall be disregarded.

**Reasonable Accommodation**

Bidders with disabilities or hardships that seek reasonable accommodation, which may include the receipt of RFP information in an alternative format, must communicate such requests in writing to the contact person. Requests for accommodation will be addressed on a case by case basis. A Bidder requesting accommodation must submit a written statement, which describes the Bidder’s disability and the requested accommodation to the contact person for the RFP. The Selection Team reserves the right to reject unreasonable requests.

**System of Record**

COMMBUYS is the official system of record for all Statewide Contract procurement information that is publicly accessible at no charge at [www.COMMBUYS.com](http://www.comm-pass.com). Information contained in this document and in each tab of the Solicitation, including file attachments, and information contained in the related Bidders’ Forum(s), are all components of the Solicitation will be posted to COMMBUYS in addition to any other distribution of this solicitation.

**Evaluation – Best Value Selection and Negotiation**

The Selection Team may select the Response(s) that demonstrates the best value overall, including proposed alternatives that will achieve the goals of the procurement. The Selection Team and a selected Bidder may negotiate a change in any element of Contract performance or cost identified in the original RFP or the selected Bidder’s Response which results in lower costs or a more cost effective or better value than was presented in the selected Bidder’s original Response.

**Terms and Requirements Pertaining to Awarded Statewide Contracts**

Invoices submitted to Massachusetts government entities must not include sales tax.

**Contractor’s Contact Information**

It is the Contractor’s responsibility to keep the Contractor’s Contract Manager Information current. If this information changes, the Contractor must notify the Contracting Entity immediately.

The Selection Team and the Commonwealth assume no responsibility if a Contractor’s designated email address is not current, or if technical problems, including those with the Contractor’s computer, network or internet service provider (ISP), cause e-mail communications between the Bidder and the Selection Team to be lost or rejected by any means including email or spam filtering.

**Contractual Status of Orders and Service Contracts**

Each order or service contract placed under the Statewide Contract established as a result of this RFP shall be considered a separate Contract between the Contracting Department and the Contractor, and shall be deemed to incorporate all of the terms and conditions of the Statewide Contract. Nothing contained in any order or service contract shall amend or vary the terms of the Statewide Contract. Additional terms which do not conflict or supersede the Commonwealth’s Terms and Conditions, the Massachusetts Standard Contract Form, this RFP and any amendments, or the Bidder Response, may be included in an order or service contract, if mutually agreed upon by the Contractor and the Eligible Entity. Selected Contractors may not condition performance of service on the Commonwealth’s acceptance or signing any additional forms after selection.

**Emergency Standby Commodities and/or Services**

Contractors may be called upon during a declared state of emergency to supply and/or deliver to the Commonwealth on a priority basis commodities and/or services which are currently under Statewide Contract. To accommodate such requests, Contractors may be asked, and must make every effort to service, these requests from regular sources of supply at the rates set forth in any Statewide Contract resulting from this RFP.

Change in Terms of Request for Response or Bidder's Response. The Procurement Management Team reserves the right to negotiate adjustments, prices, rates and other performance terms and conditions identified in the RFP or a Bidder's Response at any time during the period of the RFP and the Contract in order to achieve the best value for the Commonwealth.

**Invitation for Participation in the OSD’s Annual Marketing Event, GreenSTAR (Optional)**

OSD hosts an annual marketing and training trade show, usually in late April or early May, to educate public purchasers and contract end-users on the commodities and services available on statewide contracts, highlight innovative environmentally preferable (green) products and provide marketing and networking opportunities to the business community, interactive workshops, decision makers and more. The event, recently renamed MASS*buys*, represents the blending of two highly successful long running OSD trade shows, the Statewide Training and Resource (STAR) Exposition and the Environmentally Preferable Products (EPP) Vendor Fair and Conference. But is larger and more informative.

The attendees at these events have included public purchasers and contract end users representing all Commonwealth agencies, cities and towns across the state, independent authorities, higher education and eligible not for profit human and social service organizations. The venue for MASS*buys* has significant marketing value and is extremely cost effective as it provides exceptional opportunities for statewide contractors to market directly to thousands of attendees.

The MASS*buys* Exposition is scheduled each year in the greater Boston Area, most recently at the DCU Center in Worcester, MA and is 100% supported by statewide contractors as exhibitors. The cost to exhibit is approximately $1100. OSD believes that the show is important because it provides public purchasers and end users with an opportunity to meet over 300 statewide contractors and receive important information on new products, particularly those that save energy, conserve water or other resources, reduce waste as well as the use of toxic substances and may also contain recycled materials. It provides statewide contractors with the unparalleled opportunity to establish and renew business relationships with existing customers and to market their business to approximately 2,000 attendees, many of whom represent potential new customers.

Please note that exhibiting at the MASS*buys* Exposition is not required and no points will be awarded to those Bidders who commit to participate.

**Requirements for Doing Business After a Contract Has Been Awarded**

The requirements below are specific to the Statewide Contract, if any, awarded as a result of this Solicitation. Awarded Bidders (Contractors) must also comply with the requirements stated in [Terms and Requirements Pertaining to Awarded Statewide Contracts](#_Terms_and_requirements).

**Statewide Contract Administration Fee and Report**

This Statewide Contract shall NOT be subject to a 1% Contract Administration Fee, which is created pursuant to MGL c. 7, § 3B, 801 CMR 4.02 and the Transaction Fee section in this solicitation and/or incorporated by reference into Statewide Contracts with the Operational Services Division (OSD).

**HIPAA: Business Associate Contractual Obligations**

Bidders are notified that any Department meeting the definition of a Covered Entity under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) will include in the RFP or RFQ and resulting contract sufficient language establishing the successful Bidder’s contractual obligations, if any, that the Department will require in order for the Department to comply with HIPAA and the privacy and security regulations promulgated thereunder (45 CFR Parts 160, 162, and 164) (the Privacy and Security Rules). For example, if the Department determines that the successful Bidder is a business associate performing functions or activities involving protected health information, as such terms are used in the Privacy and Security Rules, then the Department will include in the RFP and resulting contract a sufficient description of business associate’s contractual obligations regarding the privacy and security of the protected health information, as listed in 45 CFR 164.314 and 164.504 (e), including, but not limited to, the Bidder's obligation to: implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the protected health information (in whatever form it is maintained or used, including verbal communications); provide individuals access to their records; and strictly limit use and disclosure of the protected health information for only those purposes approved by the department. Further, the Department reserves the right to add any requirement during the course of the contract that it determines it must include in the contract in order for the department to comply with the Privacy and Security Rules.

The above information pertains to contracts with Departments, which are entered into under the Statewide Contract. This Solicitation itself does not fall under HIPAA.

**Pricing: Federal Government Services Administration (GSA) or Veteran’s Administration Supply**

The Commonwealth reserves the right to request that the Contractor provide initial pricing schedules and periodic updates available under their GSA or other federal pricing contracts. In the absence of proprietary information being part of such contracts, compliance for submission of requested pricing information is expected within 30 days of any request. If the Contractor receives a GSA or Veteran’s Administration Supply contract at any time during the term of the Statewide Contract, the Contractor must notify the Commonwealth Contract Manager.

**Pricing**

Statewide Contractors may be asked to offer (and are encouraged to make available) special discounted pricing opportunities to Eligible Entities within the terms of their Statewide Contract. Such price discounts may come in the form of periodic aggregate purchases by Eligible Entities, whereby such entities will request further discounted prices from the Contractor(s) for guaranteed quantities to be purchased. The Statewide Contractor must report to the Selection Team prior to any such price reductions or discounts, or other more favorable terms, being offered to any Eligible Entity beyond those in their Statewide Contract. The Selection Team reserves the right to approve all price adjustments.

**Publicity**

Any Statewide Contractor awarded a contract under this RFP is prohibited from selling or distributing any information collected or derived from the Statewide Contract, including lists of participating Entities, Commonwealth employee names, telephone numbers or addresses, or any other information except as specifically authorized by the Selection Team.

**Statewide Contractor Marketing Requirements**

Statewide Contractors awarded under this RFP must adhere to the following sales/marketing requirements and limitations regarding their Contract: Contractors may only sell those goods and/or services for which they are awarded a Statewide Contract pursuant to this RFP; marketing information must be factual in nature in order to promote those goods and/or services for which the Contractor has a Statewide Contract and must not be critical of other Statewide Contractors; and Contractors must not display the Commonwealth of Massachusetts Seal for commercial purposes because use of the coat of arms and the Great Seal of the Commonwealth for advertising or commercial purposes is prohibited by law. During the life of the Contract, the Selection Team reserves the right to require Contractors to seek and receive prior written approval before distributing marketing information to eligible entities.

**Subcontracting Policies**

Prior approval of the department is required for any subcontracted service of the Contract. Contractors are responsible for the satisfactory performance and adequate oversight of their subcontractors.

**Required Terms for all INFORMATION TECHNOLOGY Statewide RFPs**

**Enterprise Policy and Standards**

All IT systems and applications developed by, or for Executive department agencies or operating within the Massachusetts Access to Government Network (MAGNet), must conform with the Enterprise Information Technology Policies, Standards and Guidance promulgated by the Commonwealth’s CIO as they existed at the time the Request for Quote or other Solicitation was posted, unless otherwise specified in the Request for Quote or other Solicitation, or the resulting contract (That is, the policies will be those in effect when specifications for particular engagements are posted, NOT those in effect at the time this RFP was posted.). Non-conforming IT systems cannot be deployed unless the purchasing agency and their Contractor have jointly applied for and received in writing from the Commonwealth’s CIO or his designee, notice that a specified deviation will be permitted. The Enterprise Information Technology [Policies, Standards & Guidance,](http://www.mass.gov/anf/research-and-tech/it-pols-stnds-and-guidance/) with the exception of the Enterprise Public Access Policy For e-Government Applications and the Enterprise Public Access For e-Government Applications Standards, are available at [mass.gov/itd](http://www.mass.gov/itd). The Enterprise Public Access Policy For e-Government Applications and the Enterprise Public Access For e-Government Applications Standards are available in hard copy from the purchasing agency. Purchasing agencies may also obtain a current copy of these documents, on behalf of their Contractor, by contacting the Information Technology Division's CommonHelp group at [commhelp@state.ma.us](mailto:commhelp@state.ma.us) or 1 (866) 888-2808.

Contractors should only request the Public Access Architecture documentation when they are bidding on specific projects or services, and should request it of the Contracting Department which has posted the Request for Quotes or other Solicitation. Bidders must not request a copy of the Commonwealth’s Public Access Architecture in connection with responding to this RFP.

**Please Note:** Given the pace of information technology innovation, purchasing agencies and their contractors are encouraged to contact the Information Technology Division's CommonHelp group at [commhelp@state.ma.us](mailto:commhelp@state.ma.us) or 1 (866) 888-2808 to signal a system or application design and development initiative. Such advance notice helps to ensure conformance with the relevant Enterprise Technology Policies, Standards and Procedures.

Contractor delivery of IT systems and applications that fail to conform to the Commonwealth’s Enterprise Information Technology Policies, Standards and Procedures, absent the Commonwealth CIO’s grant of written permission for a deviation, shall constitute breach of any Contract entered as a result of this Request for Response and any subsequent Request for Quotes. The Commonwealth may choose to require the Contractor, at his own cost, to re-engineer the non-conforming system for the purpose of bringing it into compliance with Commonwealth Enterprise Information Technology Policies, Standards and Procedures.

Clarification of Language in Section 11, Indemnification of the Commonwealth Terms and Conditions

Pursuant to Section 11. Indemnification of the Commonwealth Terms and Conditions, the term “other damages” shall include, but shall not be limited to, the reasonable costs the Commonwealth incurs to repair, return, replace or seek cover (purchase of comparable substitute commodities and services) under a contract. “**Other** damages” shall not include damages to the Commonwealth as a result of third party claims, provided, however, that the foregoing in no way limits the Commonwealth’s right of recovery for personal injury or property damages or patent and copyright infringement under Section 11 nor the Commonwealth’s ability to join the Contractor as a third party defendant. Further, the term “other damages” shall not include, and in no event shall the Contractor be liable for, damages for the Commonwealth’s use of Contractor provided products or services, loss of Commonwealth records, or data (or other intangible property), loss of use of equipment, lost revenue, lost savings or lost profits of the Commonwealth. In no event shall “other damages” exceed the greater of $100,000, or two times the value of the product or service (as defined in the contract scope of work) that is the subject of the claim. Section 11 sets forth the Contractor’s entire liability under a contract. Nothing in this section shall limit the Commonwealth’s ability to negotiate higher limitations of liability in a particular contract, provided that any such limitation must specifically reference Section 11 of the Commonwealth Terms and Conditions.

**Glossary**

In addition to the definitions found in [801 CMR 21.00](http://www.mass.gov/Eoaf/docs/osd/policy/801cmr21.doc), which apply to all procurements for goods and services, the definitions found below apply to this Solicitation. Those definitions below designated with an asterisk (“\*”) are quoted directly from 801 CMR 21.00 and are included below for quick reference purposes.

**Agency** - For the purposes of this Solicitation, the terms “Agency,” “Eligible Entity,” “Department,” “Commonwealth Agency,” and “Contracting Department” include all Eligible Entities.

**Bid or Response** - generally refers to the offer submitted in response to a Solicitation or Request for Response (RFP).

**Bidder \*** - An individual or organization proposing to enter into a Contract to provide a Commodity or Service, or both, to or for a Department or the State.

**Commonwealth Contract Manager** – See Strategic Sourcing Services Lead.

**Contract \*** - A legally enforceable agreement between a Contractor and a Department. ANF, OSD and CTR shall jointly issue Commonwealth Terms and Conditions, a Standard Contract Form and other forms or documentation that Departments shall use to document the Procurement of Commodities or Services, or both.

**Contractor \*** - An individual or organization which enters into a Contract with a Department or the State to provide Commodities or Services, or both.

**Contractor Contract Manager** – The individual designated by the Contractor to interface with the Commonwealth.

**Department** - For the purposes of this Solicitation, the terms “Department,” “Eligible Entity,” “Agency,” “Commonwealth Agency,” and “Contracting Department” include all Eligible Entities listed in the Issuer tab on COMMBUYS for this Solicitation.

**Eligible Entity** - For the purposes of this Solicitation, the terms “Eligible Entity,” “Agency,” “Department,” “Commonwealth Agency,” and “Contracting Department” include all Eligible Entities.

**Environmentally Preferable Product (EPP)** - A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxic materials either disposed of or consumed.

**Evaluation** – The process, conducted by the Strategic Sourcing Services Team, of reviewing, scoring and ranking the submitted bids/Responses related to this Solicitation.

**FY** – See Fiscal Year

F**iscal Year** - The year beginning with July first and ending with the following June thirtieth as defined in M.G.L. Chapter 4, Section 7. This may also be referred to as the "State Fiscal Year.”

**Selection Team** – See Strategic Sourcing Services Team

**Procurement Management Team** – See Strategic Sourcing Services Team

**Purchasing Entity** – Same as “Eligible Entity.”

**Request for Response (RFP) \*** – The mechanism used to communicate Procurement specifications and to request Responses from potential Bidders. An RFP may also be referred to as a "Solicitation."

**Response** – The Bidder’s complete submission in response to a Solicitation, in other words, a “Bid” or “Proposal.”

**Solicitation** – See “Request for Proposal.”