

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

September 15, 2010

CHANGE NOTICE NO. 9
TO
CONTRACT NO. 071B5200402
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Elavon 832 Meadow Drive West Mifflin, PA 15122 <p style="text-align: right;">Paul.Gurtner@Elavon.com</p>	TELEPHONE (800) 725-1244 x5539 Paul Gurtner
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Tom Sharpe (517) 636-5379 SHARPET@michigan.gov Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2011	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby EXTENDED to October 31, 2011 and is INCREASED by \$5,000,000.00.

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor/agency agreement and DTMB/Purchasing Operations' approval as well as the approval of the September 14, 2010 Ad Board.

INCREASE: \$5,000,000.00

TOTAL REVISED AUTHORIZED SPEND LIMIT: \$19,261,170.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

March 24, 2010

CHANGE NOTICE NO. 8
TO
CONTRACT NO. 071B5200402
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Elavon 832 Meadow Drive West Mifflin, PA 15122 <p style="text-align: right;">Paul.Gurtner@Elavon.com</p>	TELEPHONE (800) 725-1244 x5539 Paul Gurtner
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Tom Sharpe (517) 636-5379 SHARPET@michigan.gov Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2010	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

- Effective April 1, 2010, Discover settlement and Discover interchange rates are incorporated into this Contract per Elavon’s attached agreement (see attachments).
- The attached interchange rates for Visa, MasterCard, and American Express are hereby incorporated into this Contract (see attachments).

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor/agency agreement and DMB/Purchasing Operations’ approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$14,261,170.00

April 2010

Card Association Enhancements Bulletin

High Points:

- Visa International is expanding the appropriate use of the authorization system rules to all regions.
 - Visa is expanding the No Signature Required (NSR) program.
 - Visa is modifying interchange fees for certain interchange fee programs.
 - Visa Canada is eliminating Non-Chip Electronic Debit interchange programs.
 - Visa Canada is implementing an Emerging Segments interchange structure
 - MasterCard is introducing new international premium interchange products.
 - MasterCard Canada is expanding usage of the Account Level Processing system.
 - MasterCard is adjusting sales tax requirements for Level II interchange programs.
 - MasterCard is introducing Enhanced Business card products.
 - MasterCard is introducing pay with rewards.
 - MasterCard is adjusting Merit I qualifications for Non Face to Face transactions.
 - MasterCard is changing the Assessment Fee rate.
 - Discover introduces Account Level Processing.
 - American Express introduces Telecommunications interchange program.
 - American Express is adjusting interchange rates.
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Visa

- Visa International is issuing rules regarding the appropriate use of the authorization system. These rules are designed to maintain an accurate open-to-buy on the cardholders account. These rules were introduced in the US region in July 2009, but they are being expanded to all regions. These rules are effective April 1st, 2010.
 - The use of Status Checks is restricted to Automated Fuel Dispenser (AFD) transactions. An Auth Reversal is expected after these transactions in the cases of voided, timed-out, or cancelled transactions.
 - Non-AFD merchants are only allowed to perform Account Verification transactions for zero dollar amounts to confirm a card's validity. Account Verifications are expected to be followed by an authorization for the appropriate amount.
 - Authorization Reversals must be performed for all transactions that are cancelled, voided, or authorized in error, and if the final amount is lower than the auth amount (reversal would be for the difference).
 - Auth reversals must occur within 24 hours for a card present transaction, 24 hours of check out from Hotel and Car Rentals, and 72 hours for card not present transactions. Transactions that are auth reversed cannot be settled. In the case of partial reversals, the reversal amount cannot be settled.
- Visa US is expanding the No Signature Required (NSR) program. MCC 5993 – Cigar Stores / Stands is being added to the program. Transactions for \$25.00 or less will be eligible. These NSR changes do not have interchange impact.
- Visa US will be adjusting Off-line Debit rates for the following Interchange categories: CPS Retail, CPS Supermarket, CPS Retail Service Station, CPS Automated Fuel.
- Visa Canada is eliminating Non-Chip Debit electronic interchange programs. Visa Canada currently requires debit transactions to be entered with chip data on card present transactions. These interchange programs were no longer in use.
- Visa Canada is implementing an Emerging Segments interchange structure. Visa Canada is attempting to increase acceptance by offering this infrastructure to targeted merchant industries. Eligible industries include MCCs: 4900 – Utilities, 6513 – Real estate, and 9311 – Tax payments. In addition, the following MCCs are eligible for Emerging Segments interchange categories if the transaction amount is greater than \$1000.00 Canadian. MCCs: 8211 – Elementary and secondary schools, 8220 – Colleges, universities, professional schools, and junior colleges, and 8351 – Child card services.

MasterCard

- MasterCard is introducing new consumer and commercial international premium interchange products. These interchange programs are being introduced to support all of the worldwide premium brand products supported by MasterCard. Eligible card brands include World, World Elite, World and World Elite Business, MC Black, and Platinum.
- MasterCard is adjusting sales tax requirements for Level II interchange programs. Zero tax amount transactions will no longer be eligible for Level II interchange. The sales tax amount must be reported within .1% and 30% to be eligible for level II interchange programs. This change does not affect existing qualification requirements for Level 3 interchange categories.
- MasterCard is introducing Enhanced Business card products. These cards will have their own interchange programs.
- MasterCard Canada is expanding usage of the Account Level Processing (ALP) system. MasterCard Canada is adding the Premium High Spend interchange programs to ALP. Transactions eligible for Premium High Spend interchange programs will now contain an S in the sixth position of the Auth Code.
- MasterCard is introducing the new MasterCard pay with rewards program. This program will enable a card holder to complete a purchase with rewards points at the POS. These transactions will have their own interchange programs. Cardholder participation is dependent on Issuer participation.
- MasterCard is adjusting Merit I qualifications for Non Face to Face transactions. These transactions will now bypass the amount tolerance test.
- MasterCard is adjusting the Assessment Fee from 0.095% to 0.11%.

Discover (Acquiring)

- Discover is implementing Account Level Processing (ALP) for US region domestic transactions. ALP will allow Discover to change the product at the card level instead of the Bin level, providing flexibility to the issuer to offer the appropriate product to each cardholder without issuing new card numbers. Transactions eligible for ALP can be identified with a letter value in the 6th position of the approval code. Eligible ALP codes are:
 - C = Consumer Core Credit
 - R = Consumer Rewards Credit
 - P = Consumer Premium Credit
 - B = Commercial Credit

American Express (Acquiring)

- American Express is introducing Telecommunications as a new interchange category eligible for Amex Acquiring. This category is available to MCC 4812 – Telephone Equipment & Telephone Sales.
- American Express is adjusting the interchange rate for Amex Restaurant and Restaurant CNP. This increase applies to all transactions from MCCs 5811, 5812, and 5813.

Key Dates

- April, 2010 – Appropriate use of Authorization system rules go in effect.
- April, 2010 – April Regulatory Release.

2010 Equipment list

Description	Purchase
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Terminals

Verifone vx510	\$312
Verifone Vx570 IP with Dial	\$467
Verifone Vx570 Dial Only	\$493
Hypercom T4210 Dial Only	\$338
Hypercom T4220 IP	\$440
Hypercom T4230	\$549

Pin Pads

VeriFone 1000SE/10003D	\$89
Hypercom S9	\$149
Hypercom 1300	\$89

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

December 8, 2009

CHANGE NOTICE NO. 7
 TO
 CONTRACT NO. 071B5200402
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR Elavon 832 Meadow Drive West Mifflin, PA 15122 Paul.Gurtner@Elavon.com	TELEPHONE (800) 725-1244 x5539 Paul Gurtner
	VENDOR NUMBER/MAIL CODE (003)
	BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Tom Sharpe (517) 636-5379 SHARPET@michigan.gov Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2010	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

- Effective immediately, Discover settlement and Discover interchange rates are incorporated into this Contract per Elavon's attached agreement (see attachments).
- The attached interchange rates for Visa, MasterCard, and American Express are hereby incorporated into this Contract (see attachments).

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor/agency agreement and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$14,261,170.00

October 2009

Card Association Enhancements Bulletin

High Points:

- Visa CPS AFD maximum dollar amount is being adjusted.
- Visa requires Account Level Management (ALM) in Canada Region.
- Visa is adjusting international card qualification in the US Region.
- Visa is creating domestic qualifications for US Territories.
- MasterCard is adjusting MCC eligibility for select US debit products.
- MasterCard is introducing new interchange programs for select commercial cards in the Utility market.
- MasterCard is adjusting the Acquirer Cross Border Assessment.
- MasterCard is adjusting the Quick Payment Service (QPS) program.
- MasterCard Canada is requiring Banknet data and Authorization code in processing.
- MasterCard Canada is adding World Elite Business.
- MasterCard Canada is introducing new debit products.
- Discover now processes Diners International, JCB and China Union Pay.
- Discover introduces International interchange categories.
- Discover adds International Service and Processing assessments.
- American Express introduces Petroleum interchange program.
- American Express adjusts MCCs for select qualifications.

Visa

- Visa increased the Fuel processing (CPS AFD) limits to \$125 in July 2008. As of October, the maximum amount will revert to the original maximum of \$75 for this interchange category. Transactions settled for more than \$75 will downgrade to EIRF Debit program.
- Visa Canada introduced Account Level Management (ALM) to the region with the spring regulatory release. With the fall release, Visa Canada is requiring the use of Product ID in all processing to determine the card type of the transaction. Transactions submitted without a Product ID will downgrade to standard programs.
- Currently, International transactions taken at a US merchant qualify for Domestic CPS programs. As of October, International transactions will only be eligible for International programs. These transactions will also be subject to a new International Acquiring Fee (IAF).
- Visa is expanding qualifications in current US territories. Each territory will have Domestic, Intraregional, and International programs. The tables below indicate the processing options available to each US Territory.

Table 1. Lists each territory and their processing region.

U.S. Territory	Region
U.S. Virgin Islands (VI)	LAC (Latin America)
Puerto Rico (PR)	LAC (Latin America)
American Samoa (AS)	AP (Asia Pacific)
Guam (GU)	AP (Asia Pacific)
Marshall Islands (MH)	AP (Asia Pacific)
Northern Mariana Islands (MP)	AP (Asia Pacific)
Palau (PW)	AP (Asia Pacific)
U.S. Minor Outlying Islands (UM)	AP (Asia Pacific)

Table 2. Lists how domestic transactions (US Territory merchant and card issued in same territory) will process.

Merchant is located in the following U.S. Territory	Card Issued from the following U.S. Territory	Interchange Program the transaction will qualify at
U.S. Virgin Islands (VI)	VI	VI Domestic Program
Puerto Rico (PR)	PR	PR Domestic Program
American Samoa (AS)	AS	AS Domestic Program
Guam (GU)	GU	GU Domestic Program
Marshall Islands (MH)	MH	MH Domestic Program
Northern Mariana Islands (MP)	MP	MP Domestic Program
Palau (PW)	PW	PW Domestic Program
U.S. Minor Outlying Islands (UM)	UM	UM Domestic Program

Table 3. Lists how Intraregional (US Territory merchant with card issued in same region but different country) transactions will be handled.

Merchant is located in the following U.S. Territory	Card Issued from the following Region	Interchange Program the transaction will qualify at
U.S. Virgin Islands (VI)	Any LAC country, except VI	LAC Intra-Regional Program
Puerto Rico (PR)	Any LAC country, except PR	LAC Intra-Regional Program
American Samoa (AS)	Any AP country, except AS	AP Intra-Regional Program
Guam (GU)	Any AP country, except GU	AP Intra-Regional Program
Marshall Islands (MH)	Any AP country, except MH	AP Intra-Regional Program
Northern Mariana Islands (MP)	Any AP country, except MP	AP Intra-Regional Program
Palau (PW)	Any AP country, except PW	AP Intra-Regional Program
U.S. Minor Outlying Islands (UM)	Any AP country, except UM	AP Intra-Regional Program

Table 4. Lists how Interregional (US Territory merchant with card issued outside of region) transactions will be handled.

Merchant is located in the following U.S. Territory	Card Issued from the following Region	Interchange Program the transaction will qualify at
U.S. Virgin Islands (VI)	Any country outside the LAC region	LAC Interregional Program
Puerto Rico (PR)	Any country outside the LAC region	LAC Interregional Program
American Samoa (AS)	Any country outside the AP region	LAC Interregional Program
Guam (GU)	Any country outside the AP region	AP Interregional Program

Marshall Islands (MH)	Any country outside the AP region	AP Interregional Program
Northern Mariana Islands (MP)	Any country outside the AP region	AP Interregional Program
Palau (PW)	Any country outside the AP region	AP Interregional Program
U.S. Minor Outlying Islands (UM)	Any country outside the AP region	AP Interregional Program

Note: While Interregional programs are across regions, assessments for each region may differ and affect the cost of the transaction.

MasterCard

- MasterCard is removing MCC 4900 Utility and MCC 6300 Insurance codes from eligibility for Merit 1 Debit and adding MCC 9402 Postal Services to Small Ticket Debit. MCC 4900 Utility is eligible for Utility Debit and MCC 6300 Insurance is eligible for Emerging Market Debit.
- A new Utility interchange program will be introduced for Business, World Business, and World Elite Business cards taken in the US.
- MasterCard is adjusting their acquirer cross border assessment. This increase applies to all transactions where the settlement currency is different than the merchant currency. Transactions where the settlement currency and the merchant currency match will carry a lower cross border fee than DCC transactions. The DCC premium is significant.
- MasterCard is adjusting their Quick Payment Service (QPS) program to include new MCCs. MCC 4111, 4112, 4131, and 4784 will now be eligible for QPS for transactions under \$25. Also MCC 4121 - Limousines and Taxi's is adjusting the transaction dollar limit to transactions under \$50 are eligible for QPS.
- MasterCard Canada is requiring approval codes and Banknet data to be submitted for all transactions authorized by MasterCard. Transactions that do not have this information will downgrade to standard programs.
- MasterCard Canada is introducing World Elite Business cards. These cards will have their own interchange programs.
- MasterCard Canada is introducing MC Debit products. The cards will qualify at Secure Ecommerce (Cons/Comm) or Standard (Cons/Comm). Secure Ecommerce requires UCAF to be attempted or obtained and Standard will apply to all other transactions.

Discover (Acquiring)

- Discover will now process Diners International, JCB and China Union Pay transactions. JCB and China Union Pay transactions will be eligible for Discover Domestic US interchange programs. Diners International transactions will only qualify for International programs listed in the next bullet.
- Discover is introducing new International programs. These interchange programs are for Discover, JCB, and China Union Pay transactions taken at merchants outside the US and not on a US Military base. Diners' International transactions taken either outside the US or at US locations will qualify here. Transactions that are card present and swiped or contactless are eligible for International Electronic. Keyed or card not present transactions are eligible for International Base.
- Discover is instituting two fees: International Processing Assessment and International Service Assessment. The International Processing Assessment will be charged on sale and cash advance transactions where the card issuer country is different from the merchant country. The International Service Assessment will be charged on all sale transactions where a US merchant accepts a non US issued card. JCB and China Union Pay transactions are exempt from these assessments.

American Express (Acquiring)

- American Express Mail /Internet qualification is updating its MCC list. MCC 5967 – Direct MKTG Internet is being removed and MCC 7375 – Information Retrieval Services is being added.
- Amex Services is changing its available MCCs. MCC 7321 – Credit Reporting is being removed from this qualification and MCC 7393 – Security Services is being added.
- American Express is introducing Amex Petroleum as a new category that allows independent stations under MCCs 5541 and 5542 to be eligible for Amex Acquiring.

Key Dates

- August 1st, 2009 – Zero floor limit fees in affect.
- October 1st, 2009 – Mis-Use of Authorization fees go in affect.
- October 17th, 2009 – October Regulatory Release.
- November 1st, 2009 – Maestro rate increase.

Cons/Comm Rates Off-line Debit Rates Cons/Comm Rates Off-line Debit Rates

July 2009 July 2009 Oct 2009 Oct 2009

Visa Interchange Category	MPS SHORT DESCRIPTION	Chg Type	% Rate +	Per Item	% Rate +	Per Item	% Rate +	Per Item	% Rate +	Per Item
CPS Retail	CPS RETAIL / RETAIL D	1066/1590	1.54%	\$0.10	1.03%	\$0.15	1.54%	\$0.10	1.03%	\$0.15
CPS Retail Tier 1	RETAIL TR1 / RTL TR1 D	1009/1501	1.43%	\$0.10	0.62%	\$0.13	1.43%	\$0.10	0.62%	\$0.13
CPS Retail Tier 2	RETAIL TR2 / RTL TR2 D	1036/1502	1.47%	\$0.10	0.81%	\$0.13	1.47%	\$0.10	0.81%	\$0.13
CPS Retail Tier 3	RETAIL TR3 / RTL TR3 D	1037/1503	1.51%	\$0.10	0.92%	\$0.15	1.51%	\$0.10	0.92%	\$0.15
CPS Supermarket	VI SUPRMKT / SPMCHK D	1063/1591	1.24%	\$0.05	1.03%	0.15**	1.24%	\$0.05	1.03%	0.15**
CPS Supermarket Tier 1	SUPRMKTTR1 / SPM TR1 D	1010/1511	1.15%	\$0.05	0.62%	\$0.13	1.15%	\$0.05	0.62%	\$0.13
CPS Supermarket Tier 2	SUPRMKTTR2 / SPM TR2 D	1038/1512	1.20%	\$0.05	0.81%	\$0.13	1.20%	\$0.05	0.81%	\$0.13
CPS Supermarket Tier 3	SUPRMKTTR3 / SPM TR3 D	1039/1513	1.22%	\$0.05	0.92%	\$0.15	1.22%	\$0.05	0.92%	\$0.15
CPS Rewards 1	REWARDS 1	1093	1.65%	\$0.10			1.65%	\$0.10		
CPS Rewards 2	REWARDS 2	1094	1.95%	\$0.10			1.95%	\$0.10		
CPS Rewards 2 T&E	REWDS2 T&E	1095	1.95%	\$0.10			1.95%	\$0.10		
CPS Retail 2 Card Present	RTL2 CP / RTL2 CP D	1060/1560	1.43%	\$0.05	0.80%	\$0.25	1.43%	\$0.05	0.80%	\$0.25
CPS Retail 2 Card Not Present	RTL2 CNP / RTL2 CNP D	1060/1560	1.43%	\$0.05	0.80%	\$0.25	1.43%	\$0.05	0.80%	\$0.25
Utility**	UTILITY / UTILITY D	1092/1592	0.00%	\$0.75	0.00%	\$0.75	0.00%	\$0.75	0.00%	\$0.75
CPS Hotel/Car Rental	CPS HTL-NP / CPS CAR HTL-NP D / CAR D	1063-1066/1563-1566	1.54%	\$0.10	1.36%	\$0.15	1.54%	\$0.10	1.36%	\$0.15
CPS Card Not Present	CPS CRD NP / CARD NP D	1067/1567	1.80%	\$0.10	1.60%	\$0.15	1.80%	\$0.10	1.60%	\$0.15
CPS Retail Key Entered	CPS KEYED / KEYED D	1069/1569	1.80%	\$0.10	1.60%	\$0.15	1.80%	\$0.10	1.60%	\$0.15
CPS Small Ticket	SMALL TKT / SML TKT D	1084/1584	1.65%	\$0.04	1.55%	\$0.04	1.65%	\$0.04	1.55%	\$0.04
CPS Retail Service Station	CPS SVCSTN / SVCSTN D	1086/1586	1.15%	\$0.25	0.70%	0.17****	1.15%	\$0.25	0.70%	0.17****
CPS Restaurant	RESTAURANT / RESTRNT D	1085/1585	1.54%	\$0.10	1.19%	\$0.10	1.54%	\$0.10	1.19%	\$0.10
EIRF	EIRF / EIRF D	1059/1559	2.30%	\$0.10	1.75%	\$0.20	2.30%	\$0.10	1.75%	\$0.20
CPS E-commerce Basic	ECOM BASIC / ECOM BC D	1051/1551	1.80%	\$0.10	1.60%	\$0.15	1.80%	\$0.10	1.60%	\$0.15
CPS E-commerce Preferred	ECOM PREF / ECOM PF D	1052/1552	1.80%	\$0.10	1.55%	\$0.15	1.80%	\$0.10	1.55%	\$0.15
CPS E-commerce Preferred - Hotel	ECOM PFHTL / ECOM PF H D	1082/1582	1.54%	\$0.10	1.36%	\$0.15	1.54%	\$0.10	1.36%	\$0.15
CPS E-commerce Preferred - Auto Rental	ECOM PFCAR / ECOM PF C D	1083/1583	1.54%	\$0.10	1.36%	\$0.15	1.54%	\$0.10	1.36%	\$0.15
CPS E-commerce Preferred - Pass Transport	ECOM PF PT / ECOM PF P D	1081/1581	1.70%	\$0.10	1.60%	\$0.15	1.70%	\$0.10	1.60%	\$0.15
CPS Account Funding	CPS ACCTFD / ACCT FD D	1055/1555	2.14%	\$0.10	1.75%	\$0.20	2.14%	\$0.10	1.75%	\$0.20
Standard	CONS STND / VI STND D	1683/1588	2.70%	\$0.10	1.90%	\$0.25	2.70%	\$0.10	1.90%	\$0.25
CPS Debit Tax Payment	TAX PAYMT	1588			0.00%	\$2.50			0.00%	\$2.50
CPS Debit Tax Payment - Convenience Fee	TXPYMT FEE	1589			0.00%	\$0.00			0.00%	\$0.00
Debt Repayment	DEBT REPMT	1587			0.35%	\$0.50			0.35%	\$0.50
GSA G2G	GSA G2G	1664	1.65%	\$0.10			1.65%	\$0.10		
GSA Large Ticket - existing	GSA LG TKT	1014	1.20%	\$39.00			1.20%	\$39.00		
GSA Large Ticket - that are ≥ \$8,750	GSA LG TK2	1017	Eliminated				Eliminated			
Purchasing Large Ticket**	PUR LG TKT	1015	0.95%	\$35.00			0.95%	\$35.00		
CPS Automated Fuel	CPS AFD / CPS AFD D	1068/1568	1.15%	\$0.25	0.70%	0.17****	1.15%	\$0.25	0.70%	0.17****
CPS Passenger Transport	CPS AIR-PT / AIR PASS D	1061/1561	1.70%	\$0.10	1.60%	\$0.15	1.70%	\$0.10	1.60%	\$0.15
Purchasing Card Level III Data Rate	US COMM L3	1088	1.80%	\$0.10			1.80%	\$0.10		
Corporate Card Level II Data Rate	US CORP L2	1687	2.05%	\$0.10			2.05%	\$0.10		
Business Card Level II Data Rate	US COMM L2	1087	2.05%	\$0.10			2.05%	\$0.10		
Purchasing Card Level II Data Rate	USCOMM L2 P	1681	2.05%	\$0.10			2.05%	\$0.10		
Commercial Card Retail - Corporate	COMMRETAIL	1600	2.10%	\$0.10			2.10%	\$0.10		
Commercial Card Retail - Business	COM RET B	1653	2.20%	\$0.10			2.20%	\$0.10		
Commercial Card Retail - Purchasing	COM RET P	1650	2.30%	\$0.10			2.30%	\$0.10		
Commercial Card Business to Business - Corporate	COMM B2B	1601	2.10%	\$0.10			2.10%	\$0.10		
Commercial Card Business to Business - Business	COM B2B B	1652	2.10%	\$0.10			2.10%	\$0.10		
Commercial Card Business to Business - Purchasing	COM B2B P	1651	2.10%	\$0.10			2.10%	\$0.10		
Purchasing Card - Card Not Present	COMM CNP P	1604	2.55%	\$0.10			2.55%	\$0.10		
Business Card - Card Not Present	COMM CNP B	1602	2.25%	\$0.10			2.25%	\$0.10		
Corporate Card - Card Not Present	COMM CNP C	1603	2.20%	\$0.10			2.20%	\$0.10		
Utility Business	UTILITY BUS	1692	0.00%	\$1.50			0.00%	\$1.50		
Purchasing Electronic with Data	PURCH ELEC	1688	2.65%	\$0.10			2.65%	\$0.10		
Purchasing Card Electronic	COM ELEC P	1686	2.65%	\$0.10			2.65%	\$0.10		
Business Card Electronic	COM ELEC B	1685	2.40%	\$0.10			2.40%	\$0.10		
Corporate Card Electronic	COM ELEC C	1684	2.25%	\$0.10			2.25%	\$0.10		
Commercial Card Standard	COMM STND	1682	2.95%	\$0.10			2.95%	\$0.10		
Signature Preferred Card Not Present	VSP CNP	1674	2.40%	\$0.10			2.40%	\$0.10		
Signature Preferred Retail	VSP RTL	1675	2.10%	\$0.10			2.10%	\$0.10		
Signature Preferred B2B	VSP B2B	1676	2.10%	\$0.10			2.10%	\$0.10		
Signature Preferred Electronic	VSP ELEC	1678	2.40%	\$0.10			2.40%	\$0.10		
Signature Preferred Standard	VSP STND	1677	2.95%	\$0.10			2.95%	\$0.10		
International Merchant Signature Preferred	INTLMRVSP	1679	1.80%	\$0.00			Eliminated			
Signature Preferred Interregional	VSPINTRIAP	1670	1.80%	\$0.00			Eliminated			
International Electronic	INTL ELEC	1071	1.10%	\$0.00			Eliminated			
International Standard	V INTLSTND	1070	1.60%	\$0.00			Eliminated			
International Commercial Card	INTL COMM	1072	1.80%	\$0.00			Eliminated			
International Commercial Card	V INTLCOMM	1660	1.80%	\$0.00			1.80%	\$0.00		
International Electronic	V INTLELEC	1661	1.10%	\$0.00			1.10%	\$0.00		
International Issuer Chip	V INTLCHIP	1662	1.20%	\$0.00			1.20%	\$0.00		
International Acquirer Chip	V INTLACQR	1663	1.00%	\$0.00			1.00%	\$0.00		
International Standard	V INTLSTND	1664	1.60%	\$0.00			1.60%	\$0.00		
International Airline	V INTL-AIR	1665	1.10%	\$0.00			1.10%	\$0.00		
International Infinite Card	V INTLINFN	1666	1.80%	\$0.00			1.80%	\$0.00		
International Signature Card	V INTLSIGN	1667	1.80%	\$0.00			1.80%	\$0.00		
International Secure E-Commerce	V INTLSECR	1668	1.44%	\$0.00			1.44%	\$0.00		
International Merchant E-Commerce	V INTLECOM	1669	1.44%	\$0.00			1.44%	\$0.00		
Signature Card Electronic	SIGN EIRF	1012	2.30%	\$0.10			2.30%	\$0.10		
Signature Card Standard	SIGN STND	1011	2.70%	\$0.10			2.70%	\$0.10		
EIRF Debit Fuel Max	EIRF MAX D	1657			0.00%	\$0.95			0.00%	\$0.95
CPS AFD Debit Max	CPSAFDMAXD	1659			0.00%	\$0.95			0.00%	\$0.95
CPS Service Station Debit Max	SVCSTNMAXD	1658			0.00%	\$0.95			0.00%	\$0.95
Signature Preferred - Fuel	VSP FUEL	1468	1.15%	\$0.25			1.15%	\$0.25		
Cash Advance	CASH ADV	0070	-0.18%	-\$1.50			-0.18%	-\$1.50		
Consumer Credit Vouchers	US CR CONS	1077	1.76%	\$0.00	1.31%	\$0.00	1.76%	\$0.00	1.31%	\$0.00
Commercial Card Credit Vouchers	US CR COMM	1078	2.24%	\$0.00			2.24%	\$0.00		
Consumer MO/TO Credit Vouchers*	US CR MOTO	1079	2.05%	\$0.00	1.87%	\$0.00	2.05%	\$0.00	1.87%	\$0.00
Passenger Transport Credit Vouchers	US CR PASS	1076	2.07%	\$0.00			2.07%	\$0.00		
International Service Assessment	ISA FEE	213	0.40%	\$0.00	0.40%	\$0.00	0.40%	\$0.00	0.40%	\$0.00
Cash Advance International Service Assessment	CA ISA FEE	215	0.40%	\$0.00	0.40%	\$0.00	0.40%	\$0.00	0.40%	\$0.00
Account Verification ¹	0 \$ VERIFI	3042	0.00%	\$0.0250	0.00%	\$0.0250	0.00%	\$0.0250	0.00%	\$0.0250

Mis-Use of Auth [†]	MISUSE AU	3043					0.00%	\$0.0450	0.00%	\$0.0450
Zero Floor Limit [†]	ZERO FL LT	3044	0.00%	\$0.1000	0.00%	\$0.1000	0.00%	\$0.1000	0.00%	\$0.1000
NAPF [†]	ACQ PROCES	3040	0.00%	\$0.0195	0.00%	\$0.0195	0.00%	\$0.0195	0.00%	\$0.0195
NAPF Exempt [†]	APF EXEPMT	3045	0.00%	\$0.0000	0.00%	\$0.0000	0.00%	\$0.0000	0.00%	\$0.0000
Risk ID Service [†]	RISK ID SC	3046	0.00%	\$0.0010	0.00%	\$0.0010	0.00%	\$0.0010	0.00%	\$0.0010
Echeck Acquirer Processing Fee	ECHK APF	3047					0.00%	\$0.0000	0.00%	\$0.0000
Clearing Access	BII ACCESS	202	0.00%	\$0.0025	0.00%	\$0.0025	0.00%	\$0.0025	0.00%	\$0.0025
Int'l Acquiring Fee (IAF)	IAF	210					0.45%	\$0.0000	0.45%	\$0.0000
IAF High Risk	IAF-HGHRSK	216					0.90%	\$0.0000	0.90%	\$0.0000
Assessments %	ASSESSMENT	200	0.0925%	\$0.0000	0.0925%	\$0.0000	0.0925%	\$0.0000	0.0925%	\$0.0000
Assessments PI			Eliminated		Eliminated		Eliminated		Eliminated	
Assessments			Moved		Moved		Moved		Moved	

*excludes Direct Marketing Sic Codes 596X

** \$0.35 Cap

*** program requires registration

**** \$0.95 Cap begins July 18, 2008 (through Oct 2009)

† Fee Billed on Assessments

Visa Interchange (US Territory Merchants Only)	MPS SHORT DESCRIPTION	Chg Type	Cons/Comm Rates July 2009		Off-line Debit Rates July 2009		Cons/Comm Rates Oct 2009		Off-line Debit Rates Oct 2009	
			% Rate	+ Per Item	% Rate	+ Per Item	% Rate	+ Per Item	% Rate	+ Per Item
Puerto Rico Domestic Gas Station	PR GAS CR/PR GAS DB	2501/2500					1.00%	\$0.00	0.90%	\$0.00
Puerto Rico Domestic Gas Station Platinum	PR GAS PLT	2502					1.15%	\$0.00	1.15%	\$0.00
Puerto Rico Domestic Gas Station Comm	PR GASCOMM	2503					1.15%	\$0.00		
Puerto Rico Domestic Gas Station Sign	PR GASSIGN	2504					1.18%	\$0.00		
Puerto Rico Domestic Supermarket	PR SPMK CR/PR SPMK DB	2506/2505					1.05%	\$0.00	1.00%	\$0.00
Puerto Rico Domestic Supermarket Platinum	PR SPMKPLT	2507					1.18%	\$0.00	1.18%	\$0.00
Puerto Rico Domestic Supermarket Comm	PRSPMKCOMM	2508					1.18%	\$0.00		
Puerto Rico Domestic Supermarket Sign	PRSPMKSIGN	2509					1.25%	\$0.00		
Puerto Rico Domestic Emerge Mkt	PR EMRG CR/PR EMRG DB	2511/2510					1.10%	\$0.00	1.05%	\$0.00
Puerto Rico Domestic Emerge Mkt Platinum	PR EMRGPLT	2512					1.25%	\$0.00	1.26%	\$0.00
Puerto Rico Domestic Emerge Mkt Comm	PREMRGCOMM	2513					1.25%	\$0.00		
Puerto Rico Domestic Emerge Mkt Sign	PREMRGSIGN	2514					1.28%	\$0.00		
Puerto Rico Domestic Utilities	PR UTLY CR/PR UTLY DB	2516/2515					1.10%	\$0.00	1.05%	\$0.00
Puerto Rico Domestic Utilities Platinum	PR UTLYPLT	2517					1.25%	\$0.00	1.25%	\$0.00
Puerto Rico Domestic Utilities Comm	PRUTLYCOMM	2518					1.25%	\$0.00		
Puerto Rico Domestic Utilities Sign	PRUTLYSIGN	2519					1.28%	\$0.00		
Puerto Rico Domestic Warehouse	PR WRHS CR/PR WRHS DB	2521/2520					1.10%	\$0.00	1.05%	\$0.00
Puerto Rico Domestic Warehouse Platinum	PR WRHSPLT	2522					1.25%	\$0.00	1.25%	\$0.00
Puerto Rico Domestic Warehouse Comm	PRWRHSCOMM	2523					1.25%	\$0.00		
Puerto Rico Domestic Warehouse Sign	PRWRHSSIGN	2524					1.28%	\$0.00		
Puerto Rico Domestic Retail 1	PR RTL1 CR/PR RTL1 DB	2526/2525					1.35%	\$0.00	1.30%	\$0.00
Puerto Rico Domestic Retail 1 Platinum	PR RTL1PLT	2527					1.85%	\$0.00	1.85%	\$0.00
Puerto Rico Domestic Retail 1 Comm	PRRTL1COMM	2528					1.85%	\$0.00		
Puerto Rico Domestic Retail 1 Sign	PRRTL1SIGN	2529					2.00%	\$0.00		
Puerto Rico Domestic Retail 2	PR RTL2 CR/PR RTL2 DB	2531/2530					1.30%	\$0.00	1.25%	\$0.00
Puerto Rico Domestic Retail 2 Platinum	PR RTL2PLT	2532					1.80%	\$0.00	1.80%	\$0.00
Puerto Rico Domestic Retail 2 Comm	PRRTL2COMM	2533					1.80%	\$0.00		
Puerto Rico Domestic Retail 2 Sign	PRRTL2SIGN	2534					1.90%	\$0.00		
Puerto Rico Domestic Standard	PR STND CR/PR STND DB	2536/2535					1.65%	\$0.00	1.65%	\$0.00
Puerto Rico Domestic Standard Platinum	PR STNDPLT	2537					1.85%	\$0.00	1.85%	\$0.00
Puerto Rico Domestic Standard Commercial	PRSTNDCOMM	2538					1.85%	\$0.00		
Puerto Rico Domestic Standard Signature	PRSTNSIGN	2539					2.00%	\$0.00		
Virgin Islands Domestic Signature & Infinite	VISIGN/INF	2540					1.80%	\$0.00		
Virgin Islands Domestic Commercial	VI COMM	2541					1.80%	\$0.00		
Virgin Islands Domestic Electronic Cons	VI ELECT	2542					1.10%	\$0.00	1.10%	\$0.00
Virgin Islands Domestic Issuer Chip Cons	VI ISS/CHP	2543					1.20%	\$0.00	1.20%	\$0.00
Virgin Islands Domestic Airlines Cons	VI AIRLINE	2544					1.10%	\$0.00	1.10%	\$0.00
Virgin Islands Domestic Secure Cons	VI SECURE	2545					1.44%	\$0.00	1.44%	\$0.00
Virgin Islands Domestic Elec Commerce Cons	VI ECOMM	2546					1.44%	\$0.00	1.44%	\$0.00
Virgin Islands Domestic Standard Cons	VI STND	2547					1.60%	\$0.00	1.60%	\$0.00
Guam Domestic Electronic Cons	GU ELECT	2548					1.00%	\$0.00	1.00%	\$0.00
Guam Domestic Electronic Commer	GUELECTCOM	2549					1.85%	\$0.00		
Guam Domestic Recurring Cons	GU RECUR	2550					1.00%	\$0.00	1.00%	\$0.00
Guam Domestic Recurring Commercial	GU RRCOMM	2551					1.00%	\$0.00		
Guam Domestic Sm Ticket Cons	GU SM TKT	2552					1.00%	\$0.00	1.00%	\$0.00
Guam Domestic Sm Ticket Commercial	GUSMTKTCOM	2553					1.85%	\$0.00		
Guam Domestic Issuer Chip	GU ISS CHP	2554					1.95%	\$0.00	1.95%	\$0.00
Guam Domestic Issuer Chip Cons	GU CHP CON	2555					1.10%	\$0.00	1.10%	\$0.00
Guam Domestic Secure Electronic	GU SECURE	2556					1.65%	\$0.00	1.65%	\$0.00
Guam Domestic Merch Ecommerce	GU ECOMM	2557					1.65%	\$0.00	1.65%	\$0.00
Guam Domestic Standard Cons	GU STD CON	2558					1.44%	\$0.00	1.44%	\$0.00
Guam Domestic Stnd Plnrm & Sign	GU STD P&S	2559					1.85%	\$0.00	1.85%	\$0.00
Guam Domestic Stnd Commercial	GU STD COMM	2560					1.85%	\$0.00		
America Samoa Domestic Standard Cons	AS STD CON	2561					1.44%	\$0.00	1.44%	\$0.00
America Samoa Domestic Stnd Commercial	AS STDCOMM	2562					1.85%	\$0.00		
Marshall Islands Domestic Standard Cons	MH STD CON	2563					1.44%	\$0.00	1.44%	\$0.00
Marshall Islands Domestic Stnd Commercial	MH STDCOMM	2564					1.85%	\$0.00		
Northern Mariana Islands Domestic Standard Cons	MP STD CON	2565					1.44%	\$0.00	1.44%	\$0.00
Northern Mariana Islands Domestic Stnd Commercial	MP STDCOMM	2566					1.85%	\$0.00		
Palau Domestic Standard Cons	PW STD CON	2567					1.44%	\$0.00	1.44%	\$0.00
Palau Domestic Stnd Commercial	PW STDCOMM	2568					1.85%	\$0.00		
US Minor Outlying Islands Domestic Standard Cons	UM STD CON	2569					1.44%	\$0.00	1.44%	\$0.00
US Minor Outlying Islands Domestic Stnd Commercial	UM STDCOMM	2570					1.85%	\$0.00		
LAC Commercial	VLAC COMM	2571					1.80%	\$0.00		
LAC Infinite & Signature	VLAC SIGN	2572					1.80%	\$0.00		
LAC Electronic Cons	VLAC ELECT	2573					1.10%	\$0.00	1.10%	\$0.00
LAC Issuer Chip	VLAC CHP	2574					1.20%	\$0.00	1.20%	\$0.00
LAC Airline	VLAC AIRLN	2575					1.10%	\$0.00	1.10%	\$0.00
LAC Secure Ecommerce	VLAC SECURE	2576					1.44%	\$0.00	1.44%	\$0.00
LAC Merch Ecommerce	VLAC MCOMM	2577					1.44%	\$0.00	1.44%	\$0.00
LAC Standard Cons	VLAC STND	2578					1.60%	\$0.00	1.60%	\$0.00
AP Airline Commercial	VAPAIRCOM	2579					1.80%	\$0.00		
AP Airline Comm Stnd	VAPAIRSTD	2580					1.80%	\$0.00		

AP:Airline Consumer	V:APAIRCON	2581						1.16%	\$0.00	1.16%	\$0.00
AP:Issuer Chip Plat	V:APCHPPLT	2582						1.95%	\$0.00	1.95%	\$0.00
AP:Issuer Chip Sign&Infinite	V:APCHPSIGN	2583						2.12%	\$0.00		
AP:Iss Chip Gold	V:APCHPGOLD	2584						1.52%	\$0.00	1.52%	\$0.00
AP:Iss Chip Consumer	V:APCHPCON	2585						1.32%	\$0.00	1.32%	\$0.00
AP:Electronic Gold	V:APELCTG	2586						1.42%	\$0.00	1.42%	\$0.00
AP:Electronic Consumer	V:APELCTCON	2587						1.22%	\$0.00	1.22%	\$0.00
AP:Secure Ecomm Platinum	V:APECOMPL	2588						1.85%	\$0.00	1.85%	\$0.00
AP:Secure Ecomm Sign&Infinite	V:APECOMSIG	2589						2.02%	\$0.00		
AP:Secure Ecomm Gold	V:APECOMG	2590						1.55%	\$0.00	1.55%	\$0.00
AP:Secure Ecomm Consumer	V:APECOMCON	2591						1.35%	\$0.00	1.35%	\$0.00
AP:Mrch Ecomm Platinum	V:APMECOMPL	2592						1.72%	\$0.00	1.72%	\$0.00
AP:Mrch Ecomm Sign&Infinite	V:APMECOMSIG	2593						1.89%	\$0.00		
AP:Mrch Ecomm Gold	V:APMECOMG	2594						1.42%	\$0.00	1.42%	\$0.00
AP:Mrch Ecomm Consumer	V:APMECOMCON	2595						1.22%	\$0.00	1.22%	\$0.00
AP:Recurring Bymt	V:APRECUR	2596						1.16%	\$0.00	1.16%	\$0.00
AP:Standard Commercial	V:APSTDCOM	2597						1.85%	\$0.00		
AP:Standard Platinum	V:APSTDPLT	2598						1.85%	\$0.00	1.85%	\$0.00
AP:Standard Sign&Infinite	V:APSTDSIGN	2599						2.02%	\$0.00		
AP:Standard Gold	V:APSTDGOLD	2600						1.55%	\$0.00	1.55%	\$0.00
AP:Standard Consumer	V:APSTDCON	2601						1.35%	\$0.00	1.35%	\$0.00
International Commercial Card	V:INTLCOMM	1660	1.80%	\$0.00				1.80%	\$0.00		
International Electronic	V:INTLELCT	1661	1.10%	\$0.00				1.10%	\$0.00		
International Issuer Chip	V:INTLCHIP	1662	1.20%	\$0.00				1.20%	\$0.00		
International Acquirer Chip	V:INTLACQR	1663	1.00%	\$0.00				1.00%	\$0.00		
International Standard	V:INTLSTND	1664	1.60%	\$0.00				1.60%	\$0.00		
International Airline	V:INTLAIR	1665	1.10%	\$0.00				1.10%	\$0.00		
International Infinite Card	V:INTLINFN	1666	1.80%	\$0.00				1.80%	\$0.00		
International Signature Card	V:INTLSIGN	1667	1.80%	\$0.00				1.80%	\$0.00		
International Secure E-Commerce	V:INTLSECR	1668	1.44%	\$0.00				1.44%	\$0.00		
International Merchant E-Commerce	V:INTLECOM	1669	1.44%	\$0.00				1.44%	\$0.00		

MasterCard Interchange Category	MPS SHORT DESCRIPTION	Chg Type	Cons/Comm Rates July 2009		Off-line Debit Rates July 2009		Cons/Comm Rates Oct 2009		Off-line Debit Rates Oct 2009	
			% Rate	Per Item	% Rate	Per Item	% Rate	Per Item	% Rate	Per Item
Merit III	MERIT III / MERIT 3 D	1023/1523	1.58%	\$0.10	1.05%	\$0.15	1.58%	\$0.10	1.05%	\$0.15
Merit III Tier 1	MER3 T1 C / MER3 T1 D	1018/1518	1.43%	\$0.10	0.70%	\$0.15	1.43%	\$0.10	0.70%	\$0.15
Merit III Tier 2	MER3 T2 C / MER3 T2 D	1615/1515	1.48%	\$0.10	0.83%	\$0.15	1.48%	\$0.10	0.83%	\$0.15
Merit III Tier 3	MER3 T3 C / MER3 T3 D	1605/1505	1.55%	\$0.10	0.95%	\$0.15	1.55%	\$0.10	0.95%	\$0.15
SuperMarket**	MC SUPRMKT / MC SUPRM D	1024/1524	1.48%	\$0.05	1.05%	\$0.15*	1.48%	\$0.05	1.05%	\$0.15*
SuperMarket Tier 1	SMKT T1 C / SMKT T1 D	1019/1519	1.27%	\$0.00	0.70%	\$0.15	1.27%	\$0.00	0.70%	\$0.15
SuperMarket Tier 2	SMKT T2 C / SMKT T2 D	1616/1516	1.32%	\$0.00	0.83%	\$0.15	1.32%	\$0.00	0.83%	\$0.15
SuperMarket Tier 3	SMKT T3 C / SMKT T3 D	1606/1506	1.42%	\$0.05	0.95%	\$0.15	1.42%	\$0.05	0.95%	\$0.15
Warehouse Club**	WHSE CLUB / WHSE CLU D	1026/1526	1.10%	\$0.00	1.05%	\$0.15*	1.10%	\$0.00	1.05%	\$0.15*
Warehouse Club Tier 1	WRHS T1 C / WRHS T1 D	1020/1520	0.90%	\$0.00	0.70%	\$0.15	0.90%	\$0.00	0.70%	\$0.15
Warehouse Club Tier 2	WRHS T2 D	1517			0.83%	\$0.15			0.83%	\$0.15
Warehouse Club Tier 3	WRHS T3 D	1507			0.95%	\$0.15			0.95%	\$0.15
Key Entered	KEY ENTERD / KEY ENTE D	1027/1527	1.89%	\$0.10	1.64%	\$0.16	1.89%	\$0.10	1.64%	\$0.16
Merit I	MERIT I / MERIT 1 D	1021/1521	1.89%	\$0.10	1.64%	\$0.16	1.89%	\$0.10	1.64%	\$0.16
Merit I - Insurance	MERIT1INSU	1630	1.43%	\$0.05			1.43%	\$0.05		
Merit I - Real Estate	MERIT1REAL / MER1 IREAL	1634/1631	1.10%	\$0.00	1.10%	\$0.00	1.10%	\$0.00	1.10%	\$0.00
Utility**	MC UTILITY / MC UTIL DB	1636/1536	0.00%	\$0.65	0.00%	\$0.45	0.00%	\$0.65	0.00%	\$0.45
Petroleum**	PET AFD SVC	1695	1.90%	\$0.00			1.90%	\$0.00		
Standard	STANDARD / STANDARD D	1000/1500	2.95%	\$0.10	1.90%	\$0.25	2.95%	\$0.10	1.90%	\$0.25
MC Passenger Transport	AIR-PT / AIR-PT D	1022/1522	1.75%	\$0.10	1.60%	\$0.15	1.75%	\$0.10	1.60%	\$0.15
Convenience Purchases	CONV PURCH	1080	1.90%	\$0.00			1.90%	\$0.00		
MC Travel Industries Premier Service**	PREMIER-L / PREMIER-V PREMIERL D / PREMIERV D	1033/1035 1533/1535	1.58%	\$0.10	1.36%	\$0.15	1.58%	\$0.10	1.36%	\$0.15
Service Industries**	SVC RECUR	1029	1.15%	\$0.05	1.15%	\$0.05	1.15%	\$0.05	1.15%	\$0.05
Public Sector CNP & CP	PUBLIC CNP / PUBLIC CP	1032/1089	1.55%	\$0.10			1.55%	\$0.10		
US Merchant UCAF	MCUSMRUCAF / MCUSMRUCF	1006/1530	1.58%	\$0.10	1.05%	\$0.15	1.58%	\$0.10	1.05%	\$0.15
US Full UCAF	MCUSFULUCF / MCUSFULUCD	1007/1531	1.68%	\$0.10	1.15%	\$0.15	1.68%	\$0.10	1.15%	\$0.15
Small Ticket	MC SM TK D	1593			1.55%	\$0.04			1.55%	\$0.04
Small Ticket - Tier 1 Debit	SM TK T1 D	1339							1.30%	\$0.02
Petroleum- CAT/AFD**	PET AFD D	1595			0.70%	\$0.17			0.70%	\$0.17
Petroleum - Service Stations**	PET SVC D	1596			0.70%	\$0.17			0.70%	\$0.17
Restaurant	MC REST D	1594			1.19%	\$0.10			1.19%	\$0.10
Emerging Market	EMRG MKT D	1597			0.80%	\$0.25			0.80%	\$0.25
Enhanced Merit III	ENH MER 3	1623	1.73%	\$0.10			1.73%	\$0.10		
Enhanced Merit III Tier 1	ENH MER3T1	1608	1.43%	\$0.10			1.43%	\$0.10		
Enhanced Merit III Tier 2	ENH MER3T2	1609	1.48%	\$0.10			1.48%	\$0.10		
Enhanced Merit III Tier 3	ENH MER3T3	1610	1.55%	\$0.10			1.55%	\$0.10		
Enhanced Supermarket**	ENH SMKT	1624	1.48%	\$0.05			1.48%	\$0.05		
Enhanced Supermarket Tier 1	ENH SMKTT1	1612	1.27%	\$0.00			1.27%	\$0.00		
Enhanced Supermarket Tier 2	ENH SMKTT2	1613	1.32%	\$0.00			1.32%	\$0.00		
Enhanced Supermarket Tier 3	ENH SMKTT3	1614	1.42%	\$0.05			1.42%	\$0.05		
Enhanced Warehouse Club**	ENH WHSE	1626	1.10%	\$0.00			1.10%	\$0.00		
Enhanced Warehouse Club Tier 1	ENH WHSET1	1620	0.90%	\$0.00			0.90%	\$0.00		
Enhanced Key Entered	ENH KEYED	1627	2.04%	\$0.10			2.04%	\$0.10		
Enhanced Merit I	ENH MERIT1	1621	2.04%	\$0.10			2.04%	\$0.10		
Enhanced Merit I - Insurance	ENHMR1INSU	1697	1.43%	\$0.05			1.43%	\$0.05		
Enhanced Merit I - Real Estate	ENHMR1REAL	1691	1.10%	\$0.00			1.10%	\$0.00		
Enhanced Standard	ENH STND	1698	2.95%	\$0.10			2.95%	\$0.10		
Enhanced Convenience Purchase	ENH CONVPR	1680	1.90%	\$0.00			1.90%	\$0.00		
Enhanced Service Industries**	ENH SIIP	1629	1.15%	\$0.05			1.15%	\$0.05		
Enhanced Public Sector CNP & CP	ENHPUBSCNP / ENHPUBSECP	1632/1689	1.55%	\$0.10			1.55%	\$0.10		
Enhanced Merchant UCAF	ENH MRUCAF	1607	1.73%	\$0.10			1.73%	\$0.10		
Enhanced Full UCAF	ENHFULUCAF	1611	1.83%	\$0.10			1.83%	\$0.10		
Enhanced Travel Premier**	ENH TIPS / ENH TIPS	1633/1635	1.90%	\$0.10			1.90%	\$0.10		
Enhanced Utility**	ENH UTILITY	1638	0.00%	\$0.65			0.00%	\$0.65		
Enhanced Passenger Transport	ENH PT	1622	1.90%	\$0.10			1.90%	\$0.10		

Enhanced Petroleum**	ENH PETRO	1696	1.90%+	\$0.00			1.90%+	\$0.00		
Corporate Face to Face - Corporate	FACE-FACE	1040	2.15%+	\$0.10			2.15%+	\$0.10		
Corporate Face to Face - Business Cards	FACE-FACEB	1639	2.20%+	\$0.10			2.20%+	\$0.10		
Corporate Face to Face - Fleet Cards	FACE-FACEF	1641	2.50%+	\$0.10			2.50%+	\$0.10		
Corporate Face to Face - Purchasing Cards	FACE-FACEP	1640	2.40%+	\$0.10			2.40%+	\$0.10		
Corporate Face to Face Petroleum	F 2 F PET	1644	2.05%+	\$0.10			2.05%+	\$0.10		
Corporate Data Rate III	C DATA III	1046	1.80%+	\$0.10			1.80%+	\$0.10		
Corporate Data Rate II - Corporate	C DATA II	1047	2.15%+	\$0.10			2.15%+	\$0.10		
Corp Data Rate II - Business	C DATA II B	1649	2.20%+	\$0.10			2.20%+	\$0.10		
Corp Data Rate II - Fleet	C DATA II F	1648	2.50%+	\$0.10			2.50%+	\$0.10		
Corp Data Rate II - Purchasing	C DATA II P	1647	2.40%+	\$0.10			2.40%+	\$0.10		
Corp Data Rate II Petroleum	C DATA IIPET	1693	2.05%+	\$0.10			2.05%+	\$0.10		
MC Utilities - Business	UTLTY/BUS	1337					0.00%+	\$1.50		
Corporate Data Rate I	C DATA I	1048	2.65%+	\$0.10			2.65%+	\$0.10		
Corporate T&E III - Corporate	CORP T&E3C	1005	2.20%+	\$0.10			2.20%+	\$0.10		
Corporate T&E II - Corporate	CORP T&E2C	1004	2.25%+	\$0.10			2.25%+	\$0.10		
Corporate T&E I - Corporate	CORP T&E1C	1002	2.40%+	\$0.00			2.40%+	\$0.00		
Corporate T&E III - Business	CORP T&E3B	1305	2.30%+	\$0.10			2.30%+	\$0.10		
Corporate T&E II - Business	CORP T&E2B	1304	2.35%+	\$0.10			2.35%+	\$0.10		
Corporate T&E I - Business	CORP T&E1B	1302	2.50%+	\$0.00			2.50%+	\$0.00		
Corporate T&E III - Purchasing	CORP T&E3P	1309	2.50%+	\$0.10			2.50%+	\$0.10		
Corporate T&E II - Purchasing	CORP T&E2P	1307	2.55%+	\$0.10			2.55%+	\$0.10		
Corporate T&E I - Purchasing	CORP T&E1P	1303	2.70%+	\$0.00			2.70%+	\$0.00		
Corporate T&E III - Fleet	CORP T&E3F	1314	2.50%+	\$0.10			2.50%+	\$0.10		
Corporate T&E II - Fleet	CORP T&E2F	1308	2.55%+	\$0.10			2.55%+	\$0.10		
Corporate T&E I - Fleet	CORP T&E1F	1317	2.70%+	\$0.00			2.70%+	\$0.00		
Corporate Standard	CORP STND	1001	2.95%+	\$0.10			2.95%+	\$0.10		
Corporate Large Ticket 1	CORP LG TK	1042	1.25%+	\$40.00			1.25%+	\$40.00		
Corporate Large Ticket 2	CORPLGTK2	1642	1.25%+	\$40.00			1.25%+	\$40.00		
Corporate Large Ticket 3	CORPLGTK3	1643	1.25%+	\$40.00			1.25%+	\$40.00		
Corporate Large Ticket 1 MPG	C LGTK1MPG	1671	1.20%+	\$40.00			1.20%+	\$40.00		
Corporate Large Ticket 2 MPG	C LGTK2MPG	1672	0.90%+	\$40.00			0.90%+	\$40.00		
Corporate Large Ticket 3 MPG	C LGTK3MPG	1673	0.70%+	\$40.00			0.70%+	\$40.00		
World & World Elite Business Corp Face to Face	MWBCORPFTF	1440	2.25%+	\$0.10			2.25%+	\$0.10		
World & World Elite Bus Corp F2F Petroleum	MWBF2FPET	1645	2.10%+	\$0.10			2.10%+	\$0.10		
World & World Elite Business Utility	MWBUTLTY	1338					0.00%+	\$1.50		
World & World Elite Business Data Ticket 1	MWBCMLGK1	1442	1.30%+	\$40.00			1.30%+	\$40.00		
World & World Elite Business Large Ticket 2	MWBCMLGK2	1470	1.30%+	\$40.00			1.30%+	\$40.00		
World & World Elite Business Large Ticket 3	MWBCMLGK3	1484	1.30%+	\$40.00			1.30%+	\$40.00		
World & World Elite Business Large Ticket 1 MPG	MWBCLT1MPG	1485	1.25%+	\$40.00			1.25%+	\$40.00		
World & World Elite Business Large Ticket 2 MPG	MWBCLT2MPG	1486	0.95%+	\$40.00			0.95%+	\$40.00		
World & World Elite Business Large Ticket 3 MPG	MWBCLT3MPG	1487	0.75%+	\$40.00			0.75%+	\$40.00		
World & World Elite Business Data Rate III	MWBCOMDAT3	1446	1.85%+	\$0.10			1.85%+	\$0.10		
World & World Elite Business Data Rate II	MWBCOMDAT2	1447	2.25%+	\$0.10			2.25%+	\$0.10		
World & World Elite Bus Data Rate II Petroleum	MWBCOM2PET	1694	2.10%+	\$0.10			2.10%+	\$0.10		
World & World Elite Business Data Rate I	MWBCOMDAT1	1448	2.70%+	\$0.10			2.70%+	\$0.10		
World & World Elite Business T&E III	MWBCOMT&E3	1465	2.35%+	\$0.10			2.35%+	\$0.10		
World & World Elite Business T&E II	MWBCOMT&E2	1464	2.40%+	\$0.10			2.40%+	\$0.10		
World & World Elite Business T&E I	MWBCOMT&E1	1462	2.65%+	\$0.00			2.65%+	\$0.00		
World & World Elite Business Standard	MWBCOMSTND	1499	3.00%+	\$0.10			3.00%+	\$0.10		
International Electronic	INTL ELEC	1031	1.16%+	\$0.00			1.10%+	\$0.00		
International Standard	M INTLSTND	1030	1.69%+	\$0.10			1.60%+	\$0.00		
Int'l Full UCAF	MCFULLUCAF	1034	1.60%+	\$0.10			1.54%+	\$0.00		
Int'l Merchant UCAF	MC MR UCAF	1049	1.50%+	\$0.10			1.44%+	\$0.00		
Int'l Corporate	CORP INTL	1041	2.00%+	\$0.00			2.00%+	\$0.00		
Int'l Corporate Purchasing	INTL PURCH	1043	2.00%+	\$0.00			2.00%+	\$0.00		
Int'l Corp. Purch. Data RI II	C INTL II	1045	1.70%+	\$0.00			1.70%+	\$0.00		
Int'l Corporate Large Ticket	C INTL LG	1044	0.90%+	\$30.00			0.90%+	\$30.00		
Diners Electronic	DINERS ELE	1098	2.00%+	\$0.00			2.00%+	\$0.00		
Diners Standard	DINERS STN	1099	2.50%+	\$0.00			2.50%+	\$0.00		
World Merit III	MCW MERIT3	1423	1.73%+	\$0.10			1.73%+	\$0.10		
World Merit III Tier 1	MCW MERIT3	1418	1.53%+	\$0.10			1.53%+	\$0.10		
World Merit III Tier 2	MCW MER3T2	1415	1.58%+	\$0.10			1.58%+	\$0.10		
World Merit III Tier 3	MCW MER3T3	1422	1.65%+	\$0.10			1.65%+	\$0.10		
World SuperMarket***	MCW SUPRMK	1424	1.58%+	\$0.05			1.58%+	\$0.05		
World SuperMarket Tier 1	MCW SMKT T	1419	1.37%+	\$0.00			1.37%+	\$0.00		
World SuperMarket Tier 2	MCW SMKT T	1416	1.42%+	\$0.00			1.42%+	\$0.00		
World SuperMarket Tier 3	MCW SMKT T	1425	1.52%+	\$0.05			1.52%+	\$0.05		
World & World Elite Warehouse Club***	MCW WHSECB	1426	1.10%+	\$0.00			1.10%+	\$0.00		
World Warehouse Club Tier 1	MCW WRHST1	1420	0.90%+	\$0.00			0.90%+	\$0.00		
World Key Entered	MCW KEYED	1427	2.05%+	\$0.10			2.05%+	\$0.10		
World Merit I	MCW MERIT1	1421	2.05%+	\$0.10			2.05%+	\$0.10		
World Merit I - Insurance	MCWMR1INSU	1417	1.43%+	\$0.05			1.43%+	\$0.05		
World Merit I - Real Estate	MCWMR1REAL	1481	1.10%+	\$0.00			1.10%+	\$0.00		
World Standard	MCW STND	1400	2.95%+	\$0.10			2.95%+	\$0.10		
World Utility	MCWUTILITY	1436	0.00%+	\$0.65			0.00%+	\$0.65		
World Card T&E	MCW T&E	1428	2.30%+	\$0.10			2.30%+	\$0.10		
World Restaurant	MCW RESTRN	1494	1.73%+	\$0.10			1.73%+	\$0.10		
World Merchant UCAF	MCWUSMRUCF	1430	1.73%+	\$0.10			1.73%+	\$0.10		
World Full UCAF	MCWUSFULUC	1431	1.83%+	\$0.10			1.83%+	\$0.10		
World Petroleum**	MCW PETRO	1495	2.00%+	\$0.00			2.00%+	\$0.00		
World & World Elite Convenience Purchases	MCWCONPURC	1480	2.00%+	\$0.00			2.00%+	\$0.00		
World & World Elite Service Industries***	MCW SVCREC	1429	1.15%+	\$0.05			1.15%+	\$0.05		
World & World Elite Public Sector CNP & CP	MCW PUBCNP / MCW PUB CP	1432/1489	1.55%+	\$0.10			1.55%+	\$0.10		
World Elite Utility	MWEUTILITY	1439	0.00%+	\$0.75			0.00%+	\$0.75		
World Elite Merit III	MWE MERIT3	1445	2.20%+	\$0.10			2.20%+	\$0.10		
World Elite Merit III Tier 1	MWE MER3T1	1341					2.05%+	\$0.10		
World Elite Merit III Tier 2	MWE MER3T2	1340					2.10%+	\$0.10		
World Elite Merit III Tier 3	MWE MER3T3	1444	1.65%+	\$0.10			2.15%+	\$0.10		
World Elite SuperMarket***	MWE SUPRMK	1450	1.90%+	\$0.05			1.90%+	\$0.05		
World Elite Key Entered	MWE KEYED	1435	2.50%+	\$0.10			2.50%+	\$0.10		
World Elite Merit I	MWE MERIT1	1434	2.50%+	\$0.10			2.50%+	\$0.10		
World Elite Merit I - Insurance	MWEMR1INSU	1437	2.20%+	\$0.10			2.20%+	\$0.10		
World Elite Merit I - Real Estate	MWEMR1REAL	1438	2.20%+	\$0.10			2.20%+	\$0.10		

World Elite Standard	MWE STND	1433	3.25%	+	\$0.10			3.25%	+	\$0.10				
World Elite T&E	MWE T&E	1451	2.75%	+	\$0.10			2.75%	+	\$0.10				
World Elite Restaurant	MWE_RESTRN	1449	1.73%	+	\$0.10			2.20%	+	\$0.10				
World Elite Merchant UCAF	MWEUSMRUCF	1441	2.20%	+	\$0.10			2.20%	+	\$0.10				
World Elite Full UCAF	MWEUSFULUC	1443	2.30%	+	\$0.10			2.30%	+	\$0.10				
World Elite Airline	MWEAIRLINE	1454	2.30%	+	\$0.10			2.30%	+	\$0.10				
World Elite Petroleum**	MWE PETRO	1496	2.00%	+	\$0.00			2.00%	+	\$0.00				
World Elite T&E Large Ticket	MWE LRGTKT	1488	2.00%	+	\$0.00			2.00%	+	\$0.00				
High Value Key-Entered	HV KEYED	1459	2.50%	+	\$0.10			2.50%	+	\$0.10				
High Value T&E Large Ticket	HVT&ELGKT	1482	2.00%	+	\$0.00			2.00%	+	\$0.00				
High Value Merit III Tier 1	HVMERIT3T1	1461	1.53%	+	\$0.10			2.05%	+	\$0.10				
High Value Merit III Tier 2	HVMERIT3T2	1467	1.58%	+	\$0.10			2.10%	+	\$0.10				
High Value Merit III Tier 3	HVMERIT3T3	1469	1.65%	+	\$0.10			2.15%	+	\$0.10				
High Value Merit III Base	HV MERIT3	1460	2.20%	+	\$0.10			2.20%	+	\$0.10				
High Value Merit 1	HV MERIT1	1458	2.50%	+	\$0.10			2.50%	+	\$0.10				
High Value Merit 1 Real Estate	HVMR1 REAL	1334	2.20%	+	\$0.10			2.20%	+	\$0.10				
High Value Merit 1 Insurance	HVMR1 INSU	1315	2.20%	+	\$0.10			2.20%	+	\$0.10				
High Value Petroleum Base	HV PETRO	1479	2.00%	+	\$0.00			2.00%	+	\$0.00				
High Value Petroleum Max	HVPETROMAX	1378	0.00%	+	\$0.95			0.00%	+	\$0.95				
High Value Public Sector CP	HVPUBSECCP	1472	1.55%	+	\$0.10			1.55%	+	\$0.10				
High Value Public Sector CNP	HVPUBSECP	1473	1.55%	+	\$0.10			1.55%	+	\$0.10				
High Value Restaurant	HV_REST	1474	1.73%	+	\$0.10			2.20%	+	\$0.10				
High Value Supermarket Tier 1	HVSUPRMT1	1319	1.37%	+	\$0.00			1.37%	+	\$0.00				
High Value Supermarket Tier 2	HVSUPRMT2	1316	1.42%	+	\$0.00			1.42%	+	\$0.00				
High Value Supermarket Tier 3	HVSUPRMT3	1325	1.52%	+	\$0.05			1.52%	+	\$0.05				
High Value Standard	HV STND	1457	3.25%	+	\$0.10			3.25%	+	\$0.10				
High Value Supermarket Base	HV SUPRMT	1492	1.90%	+	\$0.05			1.90%	+	\$0.05				
High Value Service Industries	HV SVCINDS	1471	1.15%	+	\$0.05			1.15%	+	\$0.05				
High Value T&E	HV T&E	1493	2.75%	+	\$0.10			2.75%	+	\$0.10				
High Value Warehouse Base	HV WRHS	1483	1.10%	+	\$0.00			1.10%	+	\$0.00				
High Value Warehouse Tier 1	HV WRHST1	1320	0.90%	+	\$0.00			0.90%	+	\$0.00				
High Value Airline	HV AIRLINE	1477	2.30%	+	\$0.10			2.30%	+	\$0.10				
High Value Convenience Purch	HV CONPURC	1491	2.00%	+	\$0.00			2.00%	+	\$0.00				
High Value Full UCAF	HVFULLUCAF	1476	2.30%	+	\$0.10			2.30%	+	\$0.10				
High Value Merchant UCAF	HV MR UCAF	1475	2.20%	+	\$0.10			2.20%	+	\$0.10				
High Value Utilities	HV UTILITY	1478	0.00%	+	\$0.75			0.00%	+	\$0.75				
Electronic Payment Account	ELECPMTACT	1690	0.00%	+	\$0.00			0.00%	+	\$0.00				
Cash Advance	CASH ADV	0070	0.00%	+	-\$2.05			0.00%	+	-\$2.05				
Consumer Debit Refund Group 1	MC REF G1D	1401				1.72%	+	\$0.00				1.72%	+	\$0.00
Consumer Debit Refund Group 2	MC REF G2D	1402				1.68%	+	\$0.00				1.68%	+	\$0.00
Consumer Debit Refund Group 3	MC REF G3D	1403				1.40%	+	\$0.00				1.40%	+	\$0.00
Consumer Credit Refund Group 1	MC RFFCON1	1404	2.42%	+	\$0.00			2.42%	+	\$0.00				
Consumer Credit Refund Group 2	MC RFFCON2	1405	2.09%	+	\$0.00			2.09%	+	\$0.00				
Consumer Credit Refund Group 3	MC RFFCON3	1406	1.95%	+	\$0.00			1.95%	+	\$0.00				
Consumer Credit Refund Group 4	MC RFFCON4	1407	1.82%	+	\$0.00			1.82%	+	\$0.00				
Consumer Credit Refund Group 5	MC RFFCON5	1408	1.73%	+	\$0.00			1.73%	+	\$0.00				
Corporate Refund Group 1	MC REFGRP1	1409	2.37%	+	\$0.00			2.37%	+	\$0.00				
Corporate Refund Group 2	MC REFGRP2	1410	2.30%	+	\$0.00			2.30%	+	\$0.00				
Corporate Refund Group 3	MC REFGRP3	1411	2.21%	+	\$0.00			2.21%	+	\$0.00				
Corporate Refund Group 4	MC REFGRP4	1412	2.16%	+	\$0.00			2.16%	+	\$0.00				
Acquirer Program Support Fee	MC INTL APS	310	0.450%	+	\$0.0000	0.450%	+	\$0.0000	0.550%	+	\$0.0000	0.550%	+	\$0.0000
Intl Cross Border Fee	MC INTL CB	311	0.300%	+	\$0.0000	0.300%	+	\$0.0000	0.400%	+	\$0.0000	0.400%	+	\$0.0000
Intl DCC Cross Border Fee	MC DCC CB	316						0.800%	+	\$0.0000	0.800%	+	\$0.0000	
Access Fee [†]	ACCESS FEE	3050	0.000%	+	\$0.0000	0.000%	+	\$0.0000	0.000%	+	\$0.0000	0.000%	+	\$0.0000
Assessment %	ASSESSMENT	300	0.095%	+	\$0.0000	0.095%	+	\$0.0000	0.095%	+	\$0.0000	0.095%	+	\$0.0000
Assessment PI (NABU Fee)	NABU FEE	304	0.000%	+	\$0.0185	0.000%	+	\$0.0185	0.000%	+	\$0.0185	0.000%	+	\$0.0185
MC Assessments					Moved			Moved			Moved			Moved

[†] Fee Billed on Assessments

* \$0.35 Cap

**\$0.95 Cap

***program requires registration

Assessment PI (Data Transmission Fee)	ASSESSMENT	401	0.0000%	+	\$0.0075	0.0000%	+	\$0.0075	0.0000%	+	\$0.0075	0.0000%	+	\$0.0075
Assessment %	DATA TRANS	400	0.0925%	+	\$0.0000	0.0925%	+	\$0.0000	0.0925%	+	\$0.0000	0.0925%	+	\$0.0000
Data Usage Fee†	DATA USAGE	3060	0.0000%	+	\$0.0050	0.0000%	+	\$0.0050	0.0000%	+	\$0.0050	0.0000%	+	\$0.0050
Intl Processing Fee	D/INTLPROC	402							0.3000%	+	\$0.0000	0.3000%	+	\$0.0000
Intl Cash Adv Processing Fee	D/CA/INTL	403							0.3000%	+	\$0.0000	0.3000%	+	\$0.0000
Intl Service Fee	D/INTLSERV	404							0.4500%	+	\$0.0000	0.4500%	+	\$0.0000
Assessments					Moved				Moved					Moved

† Fee Billed on Assessments

Amex Interchange Category	MPS SHORT DESCRIPTION	Chg Type	Cons/Comm Rates July 2009		Off-line Debit Rates July 2009		Cons/Comm Rates Oct 2009		Off-line Debit Rates Oct 2009	
			% Rate	+ Per Item	% Rate	+ Per Item	% Rate	+ Per Item	% Rate	+ Per Item
Amex Lodging	LODGING	1250	3.50%	+	\$0.00			3.50%	+	\$0.00
Amex Mail Order/Telephone	MOTO/ECOM	1251	3.50%	+	\$0.00			3.50%	+	\$0.00
Amex Office Based Healthcare	HEALTHCARE	1252	2.55%	+	\$0.00			2.55%	+	\$0.00
Amex Restaurant	RESTURANT	1253	3.50%	+	\$0.00			3.50%	+	\$0.00
Amex Retail	RETAIL	1254	2.89%	+	\$0.10			2.89%	+	\$0.10
Amex Service	SERVICE	1255	2.89%	+	\$0.15			2.89%	+	\$0.15
Amex Supermarket	SUPERMRKT	1256	2.30%	+	\$0.00			2.30%	+	\$0.00
Amex Travel Agency	TRAVEL	1257	Eliminated		Eliminated					
Amex Transportation	TRANSPORT	1258	3.50%	+	\$0.00			3.50%	+	\$0.00
Amex Tuition	TUITION	1259	2.40%	+	\$0.00			2.40%	+	\$0.00
Amex Keyed/CNP	KEYED/CNP	1260	3.19%	+	\$0.10			3.19%	+	\$0.10
Amex Fast Food Restaurants	FAST FOOD	1261	3.50%	+	\$0.00			3.50%	+	\$0.00
Amex CNP/Key Entered Restaurant	CNP RSTRNT	1262	3.80%	+	\$0.00			3.80%	+	\$0.00
Amex Petroleum Station	PETROLEUM	1263						3.25%	+	\$0.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

September 15, 2009

CHANGE NOTICE NO. 6
 TO
 CONTRACT NO. 071B5200402
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR Elavon 832 Meadow Drive West Mifflin, PA 15122 Paul.Gurtner@Elavon.com	TELEPHONE (800) 725-1244 x5539 Paul Gurtner
	VENDOR NUMBER/MAIL CODE (003)
	BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Tom Sharpe (517) 636-5379 SHARPET@michigan.gov Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2010	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective July 1, 2009, the following changes in Fee Assessments are hereby incorporated into this Contract:

- A Zero floor limit of \$0.10 per transaction will be accessed to a transaction that is settled without first obtaining authorization.
- The Network Acquirer Processing Fee of \$0.0195 is implemented.
- The Security Access fee of \$0.005 is hereby eliminated.
- The Network Acquirer Processing fee is adjusted to \$0.0145.
- A \$0.025 Account Verification fee will be accessed on any transaction with a zero dollar amount.

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor/agency agreement and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$14,261,170.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

April 2, 2009

**CHANGE NOTICE NO. 5
 TO
 CONTRACT NO. 071B5200402
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Elavon 832 Meadow Drive West Mifflin, PA 15122 <p style="text-align: right;">Paul.Gurtner@Elavon.com</p>	TELEPHONE (800) 725-1244 x5539 Paul Gurtner
	VENDOR NUMBER/MAIL CODE (003)
	BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Tom Sharpe (517) 636-5379 SHARPET@michigan.gov Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2010	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, the following changes are hereby incorporated into this Contract:

- Contract is renewed through October 31, 2010;
- Contract Compliance Inspector is changed to Tom Sharpe;
- Contractor's name and address is changed to:

Elavon
832 Meadow Drive
West Mifflin, PA 15122

- Contractor's assigned support staff is now Karen Rose – karen.rose@Elavon.com;
- The attached Interchange Rates are in effect;
- The attached Card Processing changes are in effect;

All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor/agency agreement and DMB/Purchasing Operations' approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$14,261,170.00

Visa Interchange Category	MPS SHORT DESCRIPTION	Chg Type	Cons/Comm Rates		Off-line Debit Rates		Cons/Comm Rates		Off-line Debit Rates	
			Oct 2008		Oct 2008		Apr 2009		Apr 2009	
			% Rate	Per Item	% Rate	Per Item	% Rate	Per Item	% Rate	Per Item
CPS Retail	CPS RETAIL / RETAIL D	1056/1590	1.54%	\$0.10	1.03%	\$0.15	1.54%	\$0.10	1.03%	\$0.15
CPS Retail Tier 1	RETAIL TR1 / RTL TR1 D	1009/1501	1.43%	\$0.10	0.62%	\$0.13	1.43%	\$0.10	0.62%	\$0.13
CPS Retail Tier 2	RETAIL TR2 / RTL TR2 D	1036/1592	1.47%	\$0.10	0.81%	\$0.13	1.47%	\$0.10	0.81%	\$0.13
CPS Retail Tier 3	RETAIL TR3 / RTL TR3 D	1037/1593	1.51%	\$0.10	0.82%	\$0.15	1.51%	\$0.10	0.92%	\$0.15
CPS Supermarket	VI SUPRMKT / SPMCHK D	1033/1591	1.24%	\$0.06	0.16%	\$0.15	1.24%	\$0.05	0.16%	\$0.15
CPS Supermarket Tier 1	SUPRMKTTR1 / SPM TR1 D	1010/1511	1.19%	\$0.05	0.62%	\$0.13	1.19%	\$0.05	0.62%	\$0.13
CPS Supermarket Tier 2	SUPRMKTTR2 / SPM TR2 D	1038/1512	1.20%	\$0.05	0.81%	\$0.13	1.20%	\$0.05	0.81%	\$0.13
CPS Supermarket Tier 3	SUPRMKTTR3 / SPM TR3 D	1039/1513	1.22%	\$0.05	0.92%	\$0.15	1.22%	\$0.05	0.92%	\$0.15
CPS Rewards 1	REWARDS 1	1093	1.65%	\$0.10			1.65%	\$0.10		
CPS Rewards 2	REWARDS 2	1094	1.90%	\$0.10			1.90%	\$0.10		
CPS Rewards 2 T&E	REWARDS2 T&E	1095	1.90%	\$0.10			1.95%	\$0.10		
CPS Retail 2 Card Present	RTL2 CP / RTL2 CP D	1050/1550	1.43%	\$0.05	0.80%	\$0.25	1.43%	\$0.05	0.80%	\$0.25
CPS Retail 2 Card Not Present	RTL2 CNP / RTL2 CNP D	1050/1550	1.43%	\$0.05	0.80%	\$0.25	1.43%	\$0.05	0.80%	\$0.25
Utility***	UTILITY / UTILITY D	1092/1592	0.00%	\$0.75	0.00%	\$0.75	0.00%	\$0.75	0.00%	\$0.75
CPS Hotel/Car Rental	CPS HTL-NP / CPS CAR HTL-NP D / CAR D	1603/1606	1.58%	\$0.10	1.36%	\$0.15	1.54%	\$0.10	1.36%	\$0.15
CPS Card Not Present	CPS CRD NP / CARD NP D	1057/1557	1.95%	\$0.10	1.60%	\$0.15	1.95%	\$0.10	1.60%	\$0.15
CPS Retail Key Entered	CPS KEYED / KEYED D	1069/1609	1.85%	\$0.10	1.60%	\$0.15	1.80%	\$0.10	1.60%	\$0.15
CPS Small Ticket	SMALL TKT / SML TKT D	1084/1584	1.85%	\$0.04	1.65%	\$0.04	1.85%	\$0.04	1.65%	\$0.04
CPS Retail Service Station	CPS SVCSTN / SVCSTN D	1080/1580	1.16%	\$0.25	0.70%	\$0.17****	1.16%	\$0.25	0.70%	\$0.17****
CPS Restaurant	RESTAURANT / RESTRNT D	1085/1585	1.54%	\$0.10	1.19%	\$0.10	1.54%	\$0.10	1.19%	\$0.10
EIFR	EIRP / EIRP D	1059/1559	2.30%	\$0.10	1.75%	\$0.20	2.30%	\$0.10	1.75%	\$0.20
CPS E-commerce Basic	ECOM BASIC / ECOM BC D	1051/1551	1.85%	\$0.10	1.60%	\$0.15	1.80%	\$0.10	1.60%	\$0.15
CPS E-commerce Preferred	ECOM PREF / ECOM PF D	1052/1552	1.80%	\$0.10	1.55%	\$0.15	1.80%	\$0.10	1.55%	\$0.15
CPS E-commerce Preferred - Hotel	ECOM PHHTL / ECOM PF H D	1082/1602	1.58%	\$0.10	1.39%	\$0.15	1.54%	\$0.10	1.39%	\$0.15
CPS E-commerce Preferred - Auto Rental	ECOM PRCAR / ECOM PF C D	1083/1583	1.58%	\$0.10	1.39%	\$0.15	1.54%	\$0.10	1.39%	\$0.15
CPS E-commerce Preferred - Pass Transport	ECOM PPT / ECOM PF P D	1081/1581	1.75%	\$0.10	1.60%	\$0.15	1.70%	\$0.10	1.60%	\$0.15
CPS Account Funding	CPS ACCTFD / ACCT FD D	1683/1658	2.14%	\$0.10	1.93%	\$0.25	2.14%	\$0.10	1.75%	\$0.20
Standard	CONS STND / VI STND D	1683/1658	2.70%	\$0.10	0.00%	\$2.50	2.70%	\$0.10	0.00%	\$2.50
CPS Debit Tax Payment	TAX PAYMT	1658			0.00%	\$0.00			0.00%	\$0.00
CPS Debit Tax Payment - Convenience Fee	TXPYMT FEE	1659			0.00%	\$0.00			0.00%	\$0.00
Debit Repayment	DEBT REPMT	1657			0.35%	\$0.50			0.35%	\$0.50
GSA G2G	GSA G2G	1654	1.66%	\$0.10			1.66%	\$0.10		
GSA Large Ticket - existing	GSA LG TKT	1014	1.20%	\$39.00			1.20%	\$39.00		
GSA Large Ticket - that are ≥ \$8,750	GSA LG TKT2	1017	Eliminated			Eliminated				
Purchasing Large Ticket***	PUR LG TKT	1015	0.95%	\$35.00			0.95%	\$35.00		
CPS Automated Fuel	CPS AFD / CPS AFD D	1068/1668	1.16%	\$0.25	0.70%	\$0.17****	1.16%	\$0.25	0.70%	\$0.17****
CPS Passenger Transport	CPS AIR-PT / AIR PASS D	1061/1661	1.75%	\$0.10	1.60%	\$0.16	1.70%	\$0.10	1.60%	\$0.16
Purchasing Card Level III Data Rate	US COMM L3	1638	1.80%	\$0.10			1.80%	\$0.10		
Corporate Card Level II Data Rate	US CORP L2	1637	2.05%	\$0.10			2.05%	\$0.10		
Business Card Level II Data Rate	US COMM L2	1097	2.05%	\$0.10			2.05%	\$0.10		
Purchasing Card Level II Data Rate	US COMM L2 P	1681	2.05%	\$0.10			2.05%	\$0.10		
Commercial Card Retail - Corporate	COMM RETAIL	1600	2.10%	\$0.10			2.10%	\$0.10		
Commercial Card Retail - Business	COM RET B	1653	2.20%	\$0.10			2.20%	\$0.10		
Commercial Card Retail - Purchasing	COM RET P	1650	2.30%	\$0.10			2.30%	\$0.10		
Commercial Card Business to Business - Corporate	COMM B2B	1601	2.10%	\$0.10			2.10%	\$0.10		
Commercial Card Business to Business - Business	COM B2B B	1652	2.10%	\$0.10			2.10%	\$0.10		
Commercial Card Business to Business - Purchasing	COM B2B P	1651	2.10%	\$0.10			2.10%	\$0.10		
Purchasing Card - Card Not Present	COMM CNP P	1604	2.55%	\$0.10			2.55%	\$0.10		
Business Card - Card Not Present	COMM CNP B	1602	2.25%	\$0.10			2.25%	\$0.10		
Corporate Card - Card Not Present	COMM CNP C	1692	0.00%	\$1.50			2.20%	\$0.10		
Utility Business	UTILITY BUS	1688	2.65%	\$0.10			2.65%	\$0.10		
Purchasing Electronic with Data	PURCH ELEC	1888	2.65%	\$0.10			2.65%	\$0.10		
Purchasing Card Electronic	COM ELEG P	1888	2.65%	\$0.10			2.65%	\$0.10		
Business Card Electronic	COM ELEG B	1885	2.40%	\$0.10			2.40%	\$0.10		
Corporate Card Electronic	COM ELEG C	1884	2.25%	\$0.10			2.25%	\$0.10		
Commercial Card Standard	COMM STND	1882	2.95%	\$0.10			2.95%	\$0.10		
Signature Preferred Card Not Present	VSP CNP	1874	2.30%	\$0.10			2.30%	\$0.10		
Signature Preferred Retail	VSP RTL	1675	2.10%	\$0.10			2.10%	\$0.10		
Signature Preferred B2B	VSP B2B	1878	2.10%	\$0.10			2.10%	\$0.10		
Signature Preferred Electronic	VSP ELEC	1678	2.30%	\$0.10			2.30%	\$0.10		
Signature Preferred Standard	VSP STND	1677	2.70%	\$0.10			2.70%	\$0.10		
International Merchant Signature Preferred	INTL MVRSP	1679	1.80%	\$0.00			1.80%	\$0.00		
Signature Preferred International - Airline	VSPINTAIRP	1670	1.80%	\$0.00			1.80%	\$0.00		
International Electronic	INTL ELEC	1071	1.10%	\$0.00			1.10%	\$0.00		
International Standard	V INTLSTND	1070	1.80%	\$0.00			1.80%	\$0.00		
International Commercial Card	INTL COMM	1072	1.60%	\$0.00			1.60%	\$0.00		
Comm Card Intl - Airline	COM CD IAP	1860	1.80%	\$0.00			1.80%	\$0.00		
Electronic Intl - Airline	INTELE IAP	1861	1.10%	\$0.00			1.10%	\$0.00		
Issuer Chip Intl - Airline	CHIP IAP	1862	1.20%	\$0.00			1.20%	\$0.00		
Acquirer Chip Intl - Airline	ACQCHIPAP	1863	1.00%	\$0.00			1.00%	\$0.00		
Standard Intl - Airline	INTLSTND IAP	1864	1.80%	\$0.00			1.60%	\$0.00		
Electronic Air Intl - Airline	INTELE IAP	1865	1.10%	\$0.00			1.10%	\$0.00		
Infinite Card Intl - Airline	INFIN IAP	1866	1.80%	\$0.00			1.80%	\$0.00		
Signature Intl - Airline	SIGN IAP	1867	1.80%	\$0.00			1.80%	\$0.00		
Secure E-comm Intl - Airline	SECECOMIAP	1868	1.44%	\$0.00			1.44%	\$0.00		
E-comm MR Intl - Airline	ECOMMRIAP	1869	1.44%	\$0.00			1.44%	\$0.00		
Signature Card Electronic	SIGN EIRP	1012	2.35%	\$0.10			2.30%	\$0.10		
Signature Card Standard	SIGN STND	1011	2.70%	\$0.10			2.70%	\$0.10		
EIRP Debit Fuel Max	EIRP MAX D	1657			0.00%	\$0.95			0.00%	\$0.95
CPS AFD Debit Max	CPSAFD MAXD	1658			0.00%	\$0.95			0.00%	\$0.95
CPS Service Station Debit Max	SVCSTN MAXD	1658			0.00%	\$0.95			0.00%	\$0.95
Signature Preferred - Fuel	VSP FUEL	1468	1.15%	\$0.25			1.15%	\$0.25		
Cash Advance	CASH ADV	0070	-0.18%	-\$1.90			-0.18%	-\$1.50		
Consumer Credit Vouchers	US CR COMS	1077	1.76%	\$0.00	1.31%	\$0.00	1.76%	\$0.00	1.31%	\$0.00
Commercial Card Credit Vouchers	US CR COMM	1078	2.24%	\$0.00			2.24%	\$0.00		
Consumer MO/TO Credit Vouchers*	US CR MOTO	1079	2.05%	\$0.00	1.87%	\$0.00	2.05%	\$0.00	1.87%	\$0.00
Passenger Transport Credit Vouchers	US CR PASS	1078	2.05%	\$0.00			2.05%	\$0.00		
International Service Assessment	INTLACDFEE	80	0.40%	\$0.00	0.40%	\$0.00	0.40%	\$0.00	0.40%	\$0.00
Cash Advance International Service Assessment	INTLACDFEE	81	0.15%	\$0.00	0.15%	\$0.00	0.40%	\$0.00	0.40%	\$0.00
Assessments			0.0925%	\$0.0085	0.0925%	\$0.0085	0.0925%	\$0.0085	0.0925%	\$0.0085

*excludes Direct Marketing SIC Codes 590X
 ** \$0.35 Cap
 *** program requires registration
 **** \$0.95 Cap begins July 18, 2008 (through Oct 2009)

MasterCard Interchange Category	MPS SHORT DESCRIPTION	Chg Type	Cons/Comm Rates		Off-line Debit Rates		Cons/Comm Rates		Off-line Debit Rates	
			Oct 2008		Oct 2008		Apr 2009		Apr 2009	
			% Rate	Per Item	% Rate	Per Item	% Rate	Per Item	% Rate	Per Item
Merit III	MERT III / MERT 3 D	1023/1523	1.55%	\$0.10	1.05%	\$0.15	1.55%	\$0.10	1.05%	\$0.15
Merit III Tier 1	MERT T1 C / MERT T1 D	1018/1518	1.43%	\$0.10	0.70%	\$0.15	1.43%	\$0.10	0.70%	\$0.15
Merit III Tier 2	MERT T2 C / MERT T2 D	1815/1515	1.48%	\$0.10	0.83%	\$0.15	1.48%	\$0.10	0.83%	\$0.15
Merit III Tier 3	MERT T3 C / MERT T3 D	1606/1506	1.55%	\$0.10	0.95%	\$0.15	1.55%	\$0.10	0.95%	\$0.15
SuperMarket***	MC SUPRMKT / MC SUPRM D	1024/1524	1.48%	\$0.05	1.05%	\$0.15	1.48%	\$0.05	1.05%	\$0.15
SuperMarket Tier 1	SMKT T1 C / SMKT T1 D	1019/1519	1.27%	\$0.00	0.70%	\$0.15	1.27%	\$0.00	0.70%	\$0.15
SuperMarket Tier 2	SMKT T2 C / SMKT T2 D	1616/1516	1.32%	\$0.00	0.83%	\$0.15	1.32%	\$0.00	0.83%	\$0.15
SuperMarket Tier 3	SMKT T3 C / SMKT T3 D	1606/1506	1.42%	\$0.05	0.95%	\$0.15	1.42%	\$0.05	0.95%	\$0.15
Warehouse Club***	WHSE CLUB / WHSE CLU D	1026/1526	1.10%	\$0.00	1.05%	\$0.15	1.10%	\$0.00	1.05%	\$0.15
Warehouse Club Tier 1	WRHS T1 C / WRHS T1 D	1020/1520	0.80%	\$0.00	0.70%	\$0.15	0.80%	\$0.00	0.70%	\$0.15
Warehouse Club Tier 2	WRHS T2 D	1517			0.83%	\$0.15			0.83%	\$0.15
Warehouse Club Tier 3	WRHS T3 D	1517			0.95%	\$0.15			0.95%	\$0.15
Key Entered	KEY ENTERD / KEY ENTE D	1027/1527	1.89%	\$0.10	1.84%	\$0.16	1.89%	\$0.10	1.84%	\$0.16
Merit I	MERT I / MERT 1 D	1021/1521	1.69%	\$0.10	1.64%	\$0.16	1.69%	\$0.10	1.64%	\$0.16
Merit I - Insurance	MERT1INSU	1632	1.43%	\$0.05			1.43%	\$0.05		
Merit I - Real Estate	MERT1REAL / MERT1 REAL	1634/1631	1.10%	\$0.00	1.10%	\$0.00	1.10%	\$0.00	1.10%	\$0.00
Utility***	MC UTILITY / MC UTIL DB	1636/1636	0.00%							

MC Travel Industries Premier Service**	PREMIER-L / PREMIER-V PREMIER L D / PREMIER V D	1039/1035 1533/1535	1.56%+	\$0.10	1.39%+	\$0.10	1.58%+	\$0.10	1.36%+	\$0.15
Service Industries**	SVC RECURR	1029	1.15%+	\$0.05	1.15%+	\$0.05	1.15%+	\$0.05	1.15%+	\$0.05
Public Sector CNP & CP	PUBLIC CNP / PUBLIC CP	1032/1063	1.55%+	\$0.10			1.55%+	\$0.10		
US Merchant UCAF	MCUSMRUCAF / MCUSMRUCF	1006/1530	1.56%+	\$0.10	1.05%+	\$0.15	1.58%+	\$0.10	1.05%+	\$0.15
US Full UCAF	MCUSFULUCAF / MCUSFULUCF	1007/1531	1.59%+	\$0.10	1.10%+	\$0.15	1.68%+	\$0.10	1.15%+	\$0.15
Smart Ticket	MC SM TK D	1563			1.50%+	\$0.04			1.55%+	\$0.04
Petroleum - GA/UAFD**	PET AFD D	1563			0.70%+	\$0.17			0.70%+	\$0.17
Petroleum - Service Stations**	PET SVC D	1566			0.70%+	\$0.17			0.70%+	\$0.17
Restaurant	MC REST D	1594			1.19%+	\$0.10			1.19%+	\$0.10
Emerging Market	EMRG MKT D	1597			0.60%+	\$0.25			0.60%+	\$0.25
Enhanced Merit III	ENH MER 3	1623	1.73%+	\$0.10			1.73%+	\$0.10		
Enhanced Merit III Tier 1	ENH MER3T1	1608	1.43%+	\$0.10			1.43%+	\$0.10		
Enhanced Merit III Tier 2	ENH MER3T2	1609	1.48%+	\$0.10			1.48%+	\$0.10		
Enhanced Merit III Tier 3	ENH MER3T3	1610	1.55%+	\$0.10			1.55%+	\$0.10		
Enhanced Supermarket**	ENH SMKT	1624	1.46%+	\$0.05			1.46%+	\$0.05		
Enhanced Supermarket Tier 1	ENH SMKT T1	1612	1.27%+	\$0.00			1.27%+	\$0.00		
Enhanced Supermarket Tier 2	ENH SMKT T2	1613	1.32%+	\$0.00			1.32%+	\$0.00		
Enhanced Supermarket Tier 3	ENH SMKT T3	1614	1.42%+	\$0.00			1.42%+	\$0.00		
Enhanced Warehouse Club**	ENH WHSE	1636	1.10%+	\$0.00			1.10%+	\$0.00		
Enhanced Warehouse Club Tier 1	ENH WHSET1	1630	0.90%+	\$0.00			0.90%+	\$0.00		
Enhanced Key Entered	ENH KEYED	1627	2.04%+	\$0.10			2.04%+	\$0.10		
Enhanced Merit I	ENH MERIT1	1621	2.04%+	\$0.10			2.04%+	\$0.10		
Enhanced Merit I - Insurance	ENHMR1INSU	1697	1.43%+	\$0.05			1.43%+	\$0.05		
Enhanced Merit I - Real Estate	ENHMR1REAL	1691	1.10%+	\$0.00			1.10%+	\$0.00		
Enhanced Standard	ENH STND	1698	2.95%+	\$0.10			2.95%+	\$0.10		
Enhanced Convenience Purchase	ENH CONVPR	1680	1.90%+	\$0.00			1.90%+	\$0.00		
Enhanced Service Industries**	ENH SIV	1626	1.15%+	\$0.05			1.15%+	\$0.05		
Enhanced Public Sector CNP & CP	ENHPUBSSCNP / ENHPUSSECP	1632/1639	1.55%+	\$0.10			1.55%+	\$0.10		
Enhanced Merchant UCAF	ENH MRUCAF	1607	1.73%+	\$0.10			1.73%+	\$0.10		
Enhanced Full UCAF	ENH FULUCAF	1611	1.83%+	\$0.10			1.83%+	\$0.10		
Enhanced Travel Premier**	ENH TIPS / ENH TIPS	1632/1639	1.90%+	\$0.10			1.90%+	\$0.10		
Enhanced Utility**	ENH UTILITY	1638	0.90%+	\$0.05			0.90%+	\$0.05		
Enhanced Passenger Transport	ENH PT	1622	1.90%+	\$0.10			1.90%+	\$0.10		
Enhanced Petroleum**	ENH PETRO	1666	1.90%+	\$0.00			1.90%+	\$0.00		
Corporate Face to Face - Corporate	FACE-FACE	1040	2.05%+	\$0.10			2.05%+	\$0.10		
Corporate Face to Face - Business Cards	FACE-FACEB	1635	2.32%+	\$0.10			2.32%+	\$0.10		
Corporate Face to Face - Fleet Cards	FACE-FACEF	1641	2.46%+	\$0.10			2.46%+	\$0.10		
Corporate Face to Face - Purchasing Cards	FACE-FACEP	1640	2.33%+	\$0.10			2.33%+	\$0.10		
Corporate Face to Face - Petroleum	F 2 F PET	1644	2.05%+	\$0.00			2.05%+	\$0.00		
Corporate Data Rate III	C DATA III	1046	1.76%+	\$0.00			1.76%+	\$0.00		
Corporate Data Rate II - Corporate	C DATA II	1047	2.05%+	\$0.10			2.05%+	\$0.10		
Corp Data Rate II - Business	CDATA II B	1648	2.32%+	\$0.10			2.32%+	\$0.10		
Corp Data Rate II - Fleet	CDATA II F	1648	2.45%+	\$0.10			2.45%+	\$0.10		
Corp Data Rate II - Purchasing	CDATA II P	1647	2.33%+	\$0.10			2.33%+	\$0.10		
Corp Data Rate II Petroleum	CDATAIIPET	1693	2.05%+	\$0.00			2.05%+	\$0.00		
Corporate Data Rate I	C DATA I	1048	2.65%+	\$0.10			2.65%+	\$0.10		
Corporate T&E III - Corporate	CORP T&E 3	1005	2.15%+	\$0.10			2.15%+	\$0.10		
Corporate T&E II - Corporate	CORP T&E 2	1004	2.20%+	\$0.10			2.20%+	\$0.10		
Corporate T&E I - Corporate	COMM ELEC	1002	2.35%+	\$0.00			2.35%+	\$0.00		
Corporate T&E III - Business							2.30%+	\$0.00		
Corporate T&E II - Business							2.35%+	\$0.00		
Corporate T&E I - Business							2.50%+	\$0.00		
Corporate T&E III - Purchasing & Fleet							2.50%+	\$0.00		
Corporate T&E II - Purchasing & Fleet							2.50%+	\$0.00		
Corporate T&E I - Purchasing & Fleet							2.50%+	\$0.00		
Corporate Standard	CORP STND	1001	2.95%+	\$0.10			2.95%+	\$0.10		
Corporate Large Ticket 1	CORP LG TK	1042	1.20%+	\$40.00			1.25%+	\$40.00		
Corporate Large Ticket 2	CORPLGTK2	1642	1.20%+	\$40.00			1.25%+	\$40.00		
Corporate Large Ticket 3	CORPLGTK3	1643	1.20%+	\$40.00			1.25%+	\$40.00		
Corporate Large Ticket 1 MPG	C LGTK1MPG	1671	1.20%+	\$40.00			1.20%+	\$40.00		
Corporate Large Ticket 2 MPG	C LGTK2MPG	1672	0.90%+	\$40.00			0.90%+	\$40.00		
Corporate Large Ticket 3 MPG	C LGTK3MPG	1673	0.70%+	\$40.00			0.70%+	\$40.00		
World & World Elite Business Corp Face to Face	MWBCCMPTFF	1640	2.32%+	\$0.10			2.26%+	\$0.10		
World & World Elite Bus Corp F2F Petroleum	MWBFF2FPET	1645	2.20%+	\$0.00			2.10%+	\$0.10		
World & World Elite Business Large Ticket 1	MWBQMLG1TK1	1427	1.35%+	\$40.00			1.30%+	\$40.00		
World & World Elite Business Large Ticket 2	MWBQMLG1TK2	1470	1.35%+	\$40.00			1.30%+	\$40.00		
World & World Elite Business Large Ticket 3	MWBQMLG1TK3	1484	1.36%+	\$40.00			1.30%+	\$40.00		
World & World Elite Business Large Ticket 1 MPG	MWBQML1MPG	1485	1.35%+	\$40.00			1.25%+	\$40.00		
World & World Elite Business Large Ticket 2 MPG	MWBQML2MPG	1486	1.05%+	\$40.00			0.95%+	\$40.00		
World & World Elite Business Large Ticket 3 MPG	MWBQML3MPG	1487	0.85%+	\$40.00			0.75%+	\$40.00		
World & World Elite Business Data Rate III	MWBQCOMDAT3	1446	1.75%+	\$0.00			1.85%+	\$0.10		
World & World Elite Business Data Rate II	MWBQCOMDAT2	1447	2.32%+	\$0.10			2.25%+	\$0.10		
World & World Elite Bus Data Rate II Petroleum	MWBQCOM2PET	1694	2.20%+	\$0.00			2.10%+	\$0.10		
World & World Elite Business Data Rate I	MWBQCOMDAT1	1448	2.65%+	\$0.10			2.70%+	\$0.10		
World & World Elite Business T&E III	MWBQCOMT&E3	1465	2.30%+	\$0.10			2.35%+	\$0.10		
World & World Elite Business T&E II	MWBQCOMT&E2	1464	2.35%+	\$0.10			2.40%+	\$0.10		
World & World Elite Business T&E I	MWBQCOMT&E1	1462	2.50%+	\$0.00			2.55%+	\$0.00		
World & World Elite Business Standard	MWBQCOMSTND	1499	2.95%+	\$0.10			3.00%+	\$0.10		
International Electronic	INTL ELEC	1031	1.91%+	\$0.00			1.91%+	\$0.00		
International Standard	M INTLSTND	1030	2.44%+	\$0.10			2.44%+	\$0.10		
Intl Full UCAF	MCFULLUCAF	1034	2.35%+	\$0.10			2.35%+	\$0.10		
Intl Merchant UCAF	MC MR UCAF	1049	2.25%+	\$0.10			2.25%+	\$0.10		
Intl Corporate	CORP INTL	1041	2.60%+	\$0.00			2.60%+	\$0.00		
Intl Corporate Purchasing	INTL PURCH	1043	2.60%+	\$0.00			2.60%+	\$0.00		
Intl Corp. Purch. Data Rt II	C INTL II	1045	2.30%+	\$0.00			2.30%+	\$0.00		
Intl Corporate Large Ticket	C INTL LG	1044	1.60%+	\$30.00			1.50%+	\$30.00		
Diners Electronic	DINERS ELE	1098	2.00%+	\$0.00			2.00%+	\$0.00		
Diners Standard	DINERS STN	1099	2.90%+	\$0.00			2.90%+	\$0.00		
World Merit III	MCW MERIT3	1423	1.73%+	\$0.10			1.73%+	\$0.10		
World Merit III Tier 1	MCW MERIT3T1	1419	1.53%+	\$0.10			1.53%+	\$0.10		
World Merit III Tier 2	MCW MER3T2	1425	1.58%+	\$0.10			1.58%+	\$0.10		
World Merit III Tier 3	MCW MER3T3	1422	1.69%+	\$0.10			1.69%+	\$0.10		
World SuperMarket**	MCW SUPRMKT	1424	1.59%+	\$0.05			1.59%+	\$0.05		
World SuperMarket Tier 1	MCW SMKT T	1419	1.37%+	\$0.00			1.37%+	\$0.00		
World SuperMarket Tier 2	MCW SMKT T	1410	1.42%+	\$0.00			1.42%+	\$0.00		
World SuperMarket Tier 3	MCW SMKT T	1425	1.82%+	\$0.05			1.57%+	\$0.05		
World & World Elite Warehouse Club**	MCW WHSECB	1426	1.10%+	\$0.00			1.10%+	\$0.00		
World Warehouse Club Tier 1	MCW WHSECT1	1420	0.90%+	\$0.00			0.90%+	\$0.00		
World Key Entered	MCW KEYED	1427	2.05%+	\$0.10			2.05%+	\$0.10		
World Merit I	MCW MERIT1	1421	2.05%+	\$0.10			2.05%+	\$0.10		
World Merit I - Insurance	MCWMR1INSU	1417	1.43%+	\$0.05			1.43%+	\$0.05		
World Merit I - Real Estate	MCWMR1REAL	1481	1.10%+	\$0.00			1.10%+	\$0.00		
World Standard	MCW STND	1400	2.95%+	\$0.10			2.95%+	\$0.10		
World Utility	MCW UTILITY	1436	0.90%+	\$0.05			0.90%+	\$0.05		
World Card T&E	MCW T&E	1428	2.30%+	\$0.10			2.30%+	\$0.10		
World Restaurant	MCW RESTRN	1494	1.73%+	\$0.10			1.73%+	\$0.10		
World Merchant UCAF	MCWUSMRUCF	1430	1.73%+	\$0.10			1.73%+	\$0.10		
World Full UCAF	MCWUSFULUC	1431	1.83%+	\$0.10			1.83%+	\$0.10		
World Petroleum**	MCW PETRO	1495	2.00%+	\$0.00			2.00%+	\$0.00		
World & World Elite Convenience Purchases	MCWCONVPRC	1490	2.00%+	\$0.00			2.00%+	\$0.00		
World & World Elite Service Industries**	MCW SVCSRCS	1428	1.15%+	\$0.05			1.15%+	\$0.05		
World & World Elite Public Sector CNP & CP	MCW PUBSCP / MCW PUB CP	1432/1489	1.55%+	\$0.10			1.55%+	\$0.10		
World Elite Utility	MWELUTILITY	1439	0.90%+	\$0.75			0.90%+	\$0.75		
World Elite Merit III	MWE MERIT3	1445	2.20%+	\$0.10			2.20%+	\$0.10		
World Elite Merit III Tier 3	MWE MER3T3	1444	1.65%+	\$0.10			1.65%+	\$0.10		
World Elite SuperMarket**	MWE SUPRMKT	1450	1.90%+	\$0.05			1.90%+	\$0.05		
World Elite Key Entered	MWE KEYED	1436	2.60%+	\$0.10			2.60%+	\$0.10		
World Elite Merit I	MWE MERIT1	1434	2.50%+	\$0.10			2.50%+	\$0.10		
World Elite Merit I - Insurance	MWE MR1INSU	1437	2.20%+	\$0.10			2.20%+	\$0.10		
World Elite Merit I - Real Estate	MWE MR1REAL	1438	2.20%+	\$0.10			2.20%+	\$0.10		
World										

World Elite T&E	MWE T&E	1451	2.75%	+\$0.10				2.75%	+\$0.10				
World Elite Restaurant	MWE RES/IRN	1449	1.73%	+\$0.10				1.73%	+\$0.10				
World Elite Merchant UCAF	MWEUSMRUCF	1441	2.20%	+\$0.10				2.20%	+\$0.10				
World Elite Full UCAF	MWEUSFULLUC	1443	2.30%	+\$0.10				2.30%	+\$0.10				
World Elite Airline	MWEAIRLINE	1454	2.30%	+\$0.10				2.30%	+\$0.10				
World Elite Petroleum*	MWE PETRO	1498	2.00%	+\$0.00				2.00%	+\$0.00				
World Elite T&E Large Ticket	MWE LRGTKT	1488	2.00%	+\$0.00				2.00%	+\$0.00				
High Value Key Entered	HVKEYED	1459						2.50%	+\$0.10				
High Value T&E Large Ticket	HVT&ELGTKT	1482						2.00%	+\$0.00				
High Value Merit III Tier 1	HVMERIT3T1	1461						1.53%	+\$0.10				
High Value Merit III Tier 2	HVMERIT3T2	1467						1.58%	+\$0.10				
High Value Merit III Tier 3	HVMERIT3T3	1469						1.66%	+\$0.10				
High Value Merit III Base	HVMERIT3	1460						2.20%	+\$0.10				
High Value Merit 1	HVMERIT1	1468						2.50%	+\$0.10				
High Value Petroleum Base	HVPETRO	1476						2.00%	+\$0.00				
High Value Public Sector CP	HVPUBSECCP	1472						3.56%	+\$0.10				
High Value Public Sector CNP	HVPUBSECCNP	1473						1.55%	+\$0.10				
High Value Restaurant	HVREST	1474						1.73%	+\$0.10				
High Value Supermarket Tier 1	HVSUPRMKT1	XXXX						1.37%	+\$0.00				
High Value Supermarket Tier 2	HVSUPRMKT2	XXXX						1.42%	+\$0.00				
High Value Supermarket Tier 3	HVSUPRMKT3	XXXX						1.52%	+\$0.05				
High Value Standard	HVSTND	1457						3.25%	+\$0.10				
High Value Supermarket Base	HVSUPRMKT	1462						1.90%	+\$0.05				
High Value Service Industries	HVSVCINDS	1471						3.18%	+\$0.05				
High Value T&E	HV T&E	1493						2.76%	+\$0.10				
High Value Warehouse Base	HVWHRS	1493						1.03%	+\$0.00				
High Value Warehouse Tier 1	HVWHRT1	XXXX						0.00%	+\$0.00				
High Value Airline	HVAIRLINE	1477						2.30%	+\$0.10				
High Value Convenience Purch	HVCONPURC	1491						2.00%	+\$0.00				
High Value Full UCAF	HVFULLUCAF	1478						2.30%	+\$0.10				
High Value Merchant UCAF	HVMRUCAF	1475						2.20%	+\$0.10				
High Value Utilities	HVUTILITY	1478						0.00%	+\$0.75				
Electronic Payment Account	ELECPMTACT	1690	0.00%	+\$0.00				0.00%	+\$0.00				
Cash Advance	CASH ADV	0970	0.00%	-\$2.05				0.00%	-\$2.05				
Consumer Debt Refund Group 1	MC REF G1D	1401				1.72%	+\$0.00			1.72%	+\$0.00		
Consumer Debt Refund Group 2	MC REF G2D	1402				1.58%	+\$0.00			1.58%	+\$0.00		
Consumer Debt Refund Group 3	MC REF G3D	1403				1.40%	+\$0.00			1.40%	+\$0.00		
Consumer Credit Refund Group 1	MC REFCO1	1404	2.42%	+\$0.00				2.42%	+\$0.00				
Consumer Credit Refund Group 2	MC REFCO2	1406	2.09%	+\$0.00				2.09%	+\$0.00				
Consumer Credit Refund Group 3	MC REFCO3	1408	1.95%	+\$0.00				1.95%	+\$0.00				
Consumer Credit Refund Group 4	MC REFCO4	1407	1.82%	+\$0.00				1.82%	+\$0.00				
Consumer Credit Refund Group 5	MC REFCO5	1408	1.73%	+\$0.00				1.73%	+\$0.00				
Corporate Refund Group 1	MC REFCRP1	1409	2.37%	+\$0.00				2.37%	+\$0.00				
Corporate Refund Group 2	MC REFCRP2	1410	2.30%	+\$0.00				2.30%	+\$0.00				
Corporate Refund Group 3	MC REFCRP3	1411	2.21%	+\$0.00				2.21%	+\$0.00				
Corporate Refund Group 4	MC REFCRP4	1412	2.16%	+\$0.00				2.16%	+\$0.00				
MC Assessments			0.095%	+\$0.0050		0.099%	+\$0.0050	0.095%	+\$0.0185		0.095%	+\$0.0185	

* Includes Acquirer Program support fee of 0.45% and Cross Border assessment fee of 0.30%
 *\$0.35 Cap
 **\$0.95 Cap
 ***program requires registration

Discover Interchange Category	MPS SHORT DESCRIPTION	Chg Type	Cons/Comm Rates Oct 2006		Off-line Debit Rates Oct 2006		Cons/Comm Rates Apr 2009		Off-line Debit Rates Apr 2009	
			% Rate +	Per Item	% Rate +	Per Item	% Rate +	Per Item	% Rate +	Per Item
Retail AIP Rewards	DSCVRETAIL	1125	1.71%	\$0.10			1.71%	\$0.10		
Key Entered AIP Rewards	DSCVKEYED	1129	1.97%	\$0.10			1.97%	\$0.10		
Card Not Present/E-Commerce AIP Rewards	DSCV CNP	1127	1.97%	\$0.10			1.97%	\$0.10		
Recurring Payments AIP Rewards	DSCVAUPAY	1128	1.20%	\$0.05			1.20%	\$0.05		
Express Services AIP Rewards	DSCV EXSV	1129	1.70%	\$0.03			1.70%	\$0.03		
Petroleum AIP Rewards	DSCV PETO	1130	1.73%	\$0.05			1.73%	\$0.05		
Public Services AIP Rewards	DSCV PUB	1131	1.50%	\$0.10			1.50%	\$0.10		
Emerging Markets AIP Rewards	DSCV EMKTS	1132	1.45%	\$0.05			1.45%	\$0.05		
Supermarkets/Warehouse Clubs AIP Rewards	DSCV SMWHS	1133	1.65%	\$0.05			1.65%	\$0.05		
Restaurants AIP Rewards	DSCV REST	1134	1.90%	\$0.10			1.90%	\$0.10		
Hotel/Car Rentals AIP Rewards	DSCV HOOCR	1135	1.90%	\$0.10			1.90%	\$0.10		
Passenger Transport AIP Rewards	DSCV PASS	1136	1.90%	\$0.10			1.90%	\$0.10		
Utilities AIP Rewards	DSCV UTLY	1145	0.80%	\$0.75			0.80%	\$0.75		
Real Estate AIP Rewards	REAL EST R	1148	1.10%	\$0.00			1.10%	\$0.00		
Insurance AIP Rewards	INSURANC R	1147	1.43%	\$0.05			1.43%	\$0.05		
Mid Submission Level AIP Rewards	DSCV MID	1137	2.30%	\$0.10			2.30%	\$0.10		
Base Submission Level AIP Rewards	DSCV BASE	1138	2.85%	\$0.10			2.85%	\$0.10		
Commercial Electronic Submission	DSCVCOMELC	1139	2.30%	\$0.10			2.30%	\$0.10		
Commercial Utilities	UTLY COMM	1188	0.00%	\$1.50			0.00%	\$1.50		
Commercial Base Submission	DSCVCOMBAS	1140	2.85%	\$0.10			2.85%	\$0.10		
Consumer Adjustment Voucher Program 1 Rewards	DSCVCOADJ1	1141	2.07%	\$0.00			2.07%	\$0.00		
Consumer Adjustment Voucher Program 2 Rewards	DSCVCOADJ2	1142	2.02%	\$0.00			2.02%	\$0.00		
Consumer Adjustment Voucher Program 3 Rewards	DSCVCOADJ3	1143	1.75%	\$0.00			1.75%	\$0.00		
Commercial Adjustment Voucher Program 1	DSCVCOADJ1	1144	2.25%	\$0.00			2.25%	\$0.00		
Consumer Adjustment Voucher Program 1 Core	VOUCHER1 C	1211	2.07%	\$0.00			2.07%	\$0.00		
Consumer Adjustment Voucher Program 2 Core	VOUCHER2 C	1212	2.02%	\$0.00			2.02%	\$0.00		
Consumer Adjustment Voucher Program 3 Core	VOUCHER3 C	1213	1.75%	\$0.00			1.75%	\$0.00		
Retail AIP Core	RETAIL C	1189	1.58%	\$0.10			1.58%	\$0.10		
Key Entered AIP Core	KEY ENTER C	1193	1.87%	\$0.10			1.87%	\$0.10		
Card Not Present/E-Commerce AIP Core	CNP/ECOM C	1194	1.87%	\$0.10			1.87%	\$0.10		
Mid Submission Level AIP Core	MID SUB C	1209	2.30%	\$0.10			2.30%	\$0.10		
Base Submission Level AIP Core	BASE C	1210	2.85%	\$0.10			2.85%	\$0.10		
Utilities AIP Core	UTILITY C	1206	0.00%	\$0.75			0.00%	\$0.75		
Real Estate AIP Core	REAL EST C	1207	1.10%	\$0.00			1.10%	\$0.00		
Express Services AIP Core	EXPRESS C	1196	1.70%	\$0.03			1.70%	\$0.03		
Recurring Payments AIP Core	RECURING C	1195	1.20%	\$0.05			1.20%	\$0.05		
Emerging Markets AIP Core	EMERGING C	1199	1.45%	\$0.05			1.45%	\$0.05		
Public Services AIP Core	PUBLIC C	1198	1.50%	\$0.10			1.50%	\$0.10		
Insurance AIP Core	INSURANC C	1208	1.43%	\$0.05			1.43%	\$0.05		
Petroleum AIP Core	PETROL C	1197	1.50%	\$0.05			1.50%	\$0.05		
Supermarkets/Warehouse Clubs AIP Core	SPRMTK C	1202	1.40%	\$0.05			1.40%	\$0.05		
Restaurants AIP Core	RSTRNT C	1203	1.95%	\$0.10			1.95%	\$0.10		
Hotel/Car Rentals AIP Core	HOTELCAR C	1204	1.95%	\$0.10			1.95%	\$0.10		
Passenger Transport AIP Core	TRNSPRT C	1205	1.75%	\$0.10			1.75%	\$0.10		
Retail AIP Premium	DSCV RIL P	1148	1.71%	\$0.10			1.71%	\$0.10		
Key Entered AIP Premium	DSCVKEYEDP	1149	2.00%	\$0.10			2.00%	\$0.10		
Card Not Present/E-Commerce AIP Premium	DSCV CNP P	1152	2.00%	\$0.10			2.00%	\$0.10		
Recurring Payments AIP Premium	DSCVAUPAYP	1153	1.20%	\$0.05			1.20%	\$0.05		
Express Services AIP Premium	DSCV EXSVP	1154	1.70%	\$0.03			1.70%	\$0.03		
Petroleum AIP Premium	DSCV PETOP	1155	1.73%	\$0.05			1.73%	\$0.05		
Public Services AIP Premium	DSCV PUB P	1156	1.50%	\$0.10			1.50%	\$0.10		
Emerging Markets AIP Premium	DSCV EMKTP	1157	1.45%	\$0.05			1.45%	\$0.05		
Supermarkets/Warehouse Clubs AIP Premium	DSCV SMWHP	1158	1.65%	\$0.05			1.65%	\$0.05		
Restaurants AIP Premium	DSCV RESTP	1159	2.20%	\$0.10			2.20%	\$0.10		
Hotel/Car Rentals AIP Premium	DSCVHOOCR P	1160	2.30%	\$0.10			2.30%	\$0.10		
Passenger Transport AIP Premium	DSCV PASSP	1161	2.30%	\$0.10			2.30%	\$0.10		
Utilities AIP Premium	DSCVUTLYP	1162	0.80%	\$0.75			0.80%	\$0.75		
Real Estate AIP Premium	REAL EST P	1168	1.10%	\$0.00			1.10%	\$0.00		
Insurance AIP Premium	INSURANC P	1167	1.43%	\$0.05			1.43%	\$0.05		
Mid Submission Level AIP Premium	DSCV MID P	1163	2.30%	\$0.10			2.30%	\$0.10		
Base Submission Level AIP Premium	DSCV BASE	1164	2.85%	\$0.10			2.85%	\$0.10		
Utilities AIP Debit	DSCVUTLYD	1182			0.00%	\$0.75			0.00%	\$0.75
Supermarkets/Warehouse Clubs AIP Debit MAX	DSCVSMWHMD	1163			0.00%	\$0.38			0.00%	\$0.38
Retail AIP Debit	DSCVRETAILD	1165			1.02%	\$0.16			1.02%	\$0.16
Key Entered AIP Debit	DSCVKEYEDD	1166			1.62%	\$0.16			1.62%	\$0.16
Card Not Present/E-Commerce AIP Debit	DSCV CNP D	1167			1.62%	\$0.16			1.62%	\$0.16
Recurring Payments AIP Debit	DSCVAUPAYD	1168			1.20%	\$0.05			1.20%	\$0.05
Express Services AIP Debit	DSCV EXSVD	1169			1.66%	\$0.04			1.55%	\$0.04
Petroleum AIP Debit	DSCV PETOD	1170			0.75%	\$0.16			0.70%	\$0.16
Public Services AIP Debit	DSCV PUB D	1171			0.90%	\$0.20			0.90%	\$0.20
Emerging Markets AIP Debit	DSCV EMKTD	1172			0.80%	\$0.20			1.02%	\$0.16
Supermarkets/Warehouse Clubs AIP Debit	DSCV SMWHD	1173			1.18%	\$0.18			1.19%	\$0.10
Restaurants AIP Debit	DSCV RESTD	1174			1.35%	\$0.18			1.35%	\$0.16
Hotel/Car Rentals AIP Debit	DSCVHOOCR D	1175			1.59%	\$0.18			1.59%	\$0.16
Passenger Transport AIP Debit	DSCV PASSD	1176			1.10%	\$0.20			1.10%	\$0.00
Real Estate AIP Debit	REAL EST D	1184			0.80%	\$0.25			0.80%	\$0.25
Insurance AIP Debit	INSURANC D	1185			0.80%	\$0.25			1.72%	\$0.20
Mid Submission Level AIP Debit	DSCV MID D	1177			1.72%	\$0.20			1.89%	\$0.25
Base Submission Level AIP Debit	DSCV BASED	1178			1.69%	\$0.25			1.80%	\$0.00
Consumer Adjustment Voucher Program 1 Debit	DSCVCOADJ1D	1179			1.69%	\$0.00			1.69%	\$0.00
Consumer Adjustment Voucher Program 2 Debit	DSCVCOADJ2D	1180			1.35%	\$0.00			1.35%	\$0.00
Consumer Adjustment Voucher Program 3 Debit	DSCVCOADJ3D	1181								
Consumer Adjustment Voucher Program 1 Premium	DSCVCOADJ1P	1190	2.07%	\$0.00			2.07%	\$0.00		
Consumer Adjustment Voucher Program 2 Premium	DSCVCOADJ2P	1191	2.02%	\$0.00			2.02%	\$0.00		
Consumer Adjustment Voucher Program 3 Premium	DSCVCOADJ3P	1192	1.75%	\$0.00			1.75%	\$0.00		
Assessments			0.0925%	\$0.0075	0.0925%	\$0.0075	0.0925%	\$0.0075	0.0925%	\$0.0075

Amex Interchange Category	MPS SHORT DESCRIPTION	Chg Type	Cons/Comm Rates January 2009		Off-line Debit Rates January 2009		Cons/Comm Rates Apr 2009		Off-line Debit Rates Apr 2009	
			% Rate +	Per Item	% Rate +	Per Item	% Rate +	Per Item	% Rate +	Per Item
Amex Lodging	LODGING	1250	3.50%	\$0.00			3.50%	\$0.00		
Amex Mail Order/Telephone	MOTORECOM	1251	3.50%	\$0.00			3.50%	\$0.00		
Amex Office Based Healthcare	HEALTHCARE	1252	2.55%	\$0.00			2.55%	\$0.00		
Amex Restaurant	RESTAURANT	1253	3.50%	\$0.00			3.50%	\$0.00		
Amex Retail	RETAIL	1254	2.89%	\$0.10			2.89%	\$0.10		
Amex Service	SERVICE	1255	2.89%	\$0.15			2.89%	\$0.15		
Amex Supermarket	SUPERMKT	1256	2.30%	\$0.00			2.30%	\$0.00		
Amex Travel Agency	TRAVEL	1257	2.75%	\$0.00			Eliminated			
Amex Transportation	TRANSPORT	1258	3.50%	\$0.00			3.50%	\$0.00		
Amex Tuition	TUITION	1259	2.40%	\$0.00			2.40%	\$0.00		
Amex Keyed/CNP	KEYED/CNP	1260	3.19%	\$0.10			3.19%	\$0.10		
Amex Fast Food Restaurants	FAST FOOD	1261					3.50%	\$0.00		
Amex CNP/Key Entered Restaurant	CNP RSTRNT	1262					3.50%	\$0.00		



April 2009

Card Association Enhancements Bulletin

High Points:

- Visa adjusts cash advance ISA fees.
 - Visa adds new MCC to Small Ticket.
 - Visa introduces ALM in Canada Region.
 - MasterCard is introducing new interchange Categories – High Value.
 - MasterCard introduces new consumer credit interchange programs in Canada.
 - Discover adds MCCs to Emerging Market program.
 - Discover changes the Express Services AIP program.
 - American Express introduces 2 new interchange categories.
 - Debit – Interlink introduces a new Fuel category.
-

Visa

- Visa is adjusting cash advance ISA fees. International Service Assessment Fees were introduced in January 2008 to offset costs associated with international transactions. Cash Advance ISA fees were set at 0.15%. With the April release this will increase to 0.40%.
- Visa is adding MCC 5541 Service Stations to CPS Small Ticket for transactions under \$15. This only applies to Visa Consumer credit cards. Consumer Debit (check card) cards will not be eligible for CPS Small Ticket D. Also, Visa Signature preferred cards will still qualify at VSP Fuel category.
- Visa Canada is introducing Account Level Management in the Canadian Region for consumer credit cards. Account Level Management will allow cards to change classification from a Classic card program to Gold, Platinum, or Infinite card products.

MasterCard

- MasterCard is introducing a new High Value product, along with interchange Categories. These programs will only be available to eligible US cardholders qualifying for World interchange programs. These programs will have similar requirements to World Elite programs. High Value transactions can be identified by a value of S or T returned in position 6 of the Approval code. Interchange rates match MasterCard World Elite program interchange rates.
- MasterCard Canada is breaking out existing domestic consumer credit interchange programs into new interchange programs. MasterCard is introducing Consumer High Spend and Consumer Premium High Spend categories. Interchange programs for Consumer High Spend and Consumer Premium High Spend will be created for Grocery, Petroleum, Standard, and Electronic. In addition, all 3 categories will have new programs created – PayPass, Recurring, and SecureCode-enabled.

Discover

- Discover is adding MCCs to the Emerging Market AIP program. MCCs 5968 (Direct Marketing – Subscription), 5983 (Fuel Dealers), 8351 (Child Care Services), and 8398 (Charitable Organizations) will now be eligible for this interchange program. In addition, MCC 5968 (Direct Marketing – Subscription) will still be eligible for recurring payments.
- Discover is adjusting the Express Service (Small Ticket) AIP program. Currently the dollar limit for all eligible MCCs is \$15. MCC 4121 (Taxicabs/Limousines) maximum limit is being raised to \$25. All other MCC Limits are remaining at \$15.



AMEX

- American Express Acquiring (ESSP) was introduced in January 2009. Amex is renaming this program to Amex One Point beginning with the April Regulatory Release. Amex has 10 qualified categories. Displayed in the table below. April 09 changes are notated in each category.

QUALIFICATION	Accepted MCCs
AMEX LODGING	7033, 7011
AMEX MAIL ORDER/INTERNET	5964, 5967, 5968, 5969
AMEX OFFICE BASED HEALTHCARE	8021, 8011
AMEX RESTAURANT	5813, 5811, 5812
AMEX FAST FOOD RESTAURANT	5814 – This category is separated from Restaurant effective April 09
AMEX RETAIL	5937,5734,5950,5943,5551,5732,5211,5998 5932,5499,5072,5995,5942,5651,5611,5978 5971,5977,5251,5735,5192,5718,5691,5931 5970,5451,5945,5973,5946,5713,5699,5331 5531,5311,5200,5949,5441,5992,5719,7841 5533,5310,5722,5661,5947,5422,5999,7631 5013,5714,5944,5941,5965,5712,5733,5715 5532,5912,5261,5655,5641,5681,5994,5698 5462,5309,5921,5972,5993,5399,5044,5631 5940,5997,5948,5996,7296,5231,5021,5621
AMEX SERVICE	742,1761,4457,5065,5169,5592,7210,7278,7361,7535,7829,7993,8049,8398 743,1771,4468,5074,5193,5598,7211,7298,7372,7538,7832,7994,8050,8641 744,1799,4722,5085,5198,5599,7216,7299,7379,7542,7911,7996,8062,8661 763,2741,4821,5094,5199,5697,7217,7311,7392,7549,7922,7997,8071,8675 780,2791,4900,5099,5271,5933,7221,7321,7394,7622,7929,7998,8099,8699 1520,2842,5039,5111,5300,5935,7230,7333,7395,7623,7932,7999,8111,8734 1711,4119,5045,5122,5511,5975,7251,7338,7399,7629,7933,8031,8241,8911 1731,4214,5046,5131,5521,5976,7261,7339,7523,7641,7941,8041,8244,8931 1740,4215,5047,5137,5561,5983,7276,7342,7531,7692,7991,8042,8249,8999 1750,4225,5051,5139,5571,6300,7277,7349,7534,7699,7992,8043,8299 MCC 5960 is being removed with April 09 release.
AMEX SUPERMARKET	5411
AMEX TRANSPORTATION	4582, 4789, 4131, 4121
AMEX TRAVEL AGENCY	This category is eliminated effective April 09. MCC 4722 is in Amex Service.
AMEX TUITION	7032, 8220, 8211, 8351
AMEX KEYED/CNP	This category is considered a downgrade from Retail categories.
AMEX KEYED/CNP RESTAURANT	This category is considered a downgrade from Restaurant. This is a new downgrade for Restaurant in April 09.



DEBIT

Interlink

- Interlink is adding a new debit category. Interlink – Fuel will be released with the April 09 Regulatory release. This category will be available at MCCs 5541 and 5542 and designed for AFD transactions. Elavon's release of this item is dependent on the need for MPS development. Requirements and timeframe are not yet established.

Key Dates

- January 2009 – Amex One Point (ESSP) released.
- April 2009 – MasterCard Canada introduces an international IPM processing fee. This assessment is assessed on all non domestic cardholder transactions.
- April 2009 – Spring Regulatory Release Date.
- April 2009 – MasterCard introduces Network Access Brand Usage fee. This fee replaces the current per item Assessment charge on all US transactions including Sales and Refunds.
- April 2009 – MasterCard is adjusting most commercial interchange rates. Rates are increasing for some and decreasing for other commercial interchange programs. Significant impact to the T&E sector.
- April 2009 – Visa is adjusting some card not present interchange category rates. Rates are increasing for some VSP and Rewards 2 categories and decreasing for some E-comm, CNP, Hotel/Car rental and Pass transport categories.



April 2008 – Version 2

Card Association Enhancements Bulletin

High Points:

- Visa to create new qualifications for Visa Signature Preferred cards.
 - Visa announces a new assessment charge on international issued cards accepted at US locations.
 - Visa extends the No Signature Required program to new MCC's.
 - MasterCard to edit on sales tax amounts greater than zero.
 - Discover to adjust Premium card qualifications.
 - Discover to adjust rates on selected qualification categories.
 - Discover to change timeliness requirements.
 - Select debit networks are adjusting their fees.
-

Visa

To create more flexibility in Visa's Signature Preferred card product, these items will now have their own interchange categories. Currently, these items qualify at corporate card rates. The new rate structure will operate similar to the Rewards card platform. New categories are: Signature Preferred Card Not Present, Signature Preferred Retail, Signature Preferred Business 2 Business, Signature Electronic, and Signature Standard.

Visa announced that they will charge a new international service assessment of 0.40% on all international issued cards accepted at US merchant locations. This fee will apply to purchases and cash disbursements, excluding commercial cards. This does affect DCC transactions regardless of the currency used.

The No Signature Required (NSR) program began in April 2006 for ease and convenience to the merchant and cardholder. This program is now being extended to CPS Supermarket Credit and Debit. Transactions must still be below \$25.

New Eligible MCCs:

- 5251 – Hardware Stores
- 5331 – Variety Stores
- 5411 – Grocery Stores and Supermarkets
- 5441 – Candy, Nut and Confection Stores
- 5451 – Dairy Products Stores
- 5462 – Bakeries
- 5942 – Book stores
- 5947 – Gift, Card, Novelty and Souvenir Shops



MasterCard

MasterCard commercial card transactions submitted for Corporate Face to Face or Corporate Data Rate II will be required to pass sales tax information unless the transaction is tax-exempt or tax is not supplied. Transactions with a tax amount greater than zero will require the tax amount to be between .1% and 30% of the transaction amount. Items not meeting this criteria will downgrade to Corporate Date Rate I. Fuel locations (MCC's 4468, 5541, 5542, 5499, 5983, 7511, or 9752) are exempt from this requirement.

Discover

Discover will adjust the Premium card program qualifications. All downgrades for Premium card transactions taken at Airline, Hotel, Car Rental, or Passenger Transport MCCs (3000-3299, 4112, 4511 Pass Trans; 3351-3441, 3501-3799, 7512, 7513, 7519, 7011, 7012) will only be eligible for Base Submission Level Premium.

Discover will modify rates for the following categories:

- Supermarket/Warehouse Clubs (Consumer Premium)
- Express Services (Consumer Debit / Prepaid Card)
- Petroleum (Consumer Debit / Prepaid Card)
- Commercial Electronic Submission Level (Business / Corporate)

Discover has announced that they will change their timeliness requirements to be more in line with Visa and MasterCard. The changes are list below:

- Retail, Restaurant, Hotel/Car Rentals, Supermarkets/Warehouse Cub, CNP/E-Comm, Key Entry, Express Services, and Petroleum from 2 days to 1 day
- Utilities from 3 days to 1 day
- Emerging Markets and Public Service from 3 days to 2 days
- Pass Transport from 8 days to 7 days
- Mid Sub standardized to 2 days
- Commercial Electronic: Pass Transport MCCs to 7 days; Utilities, Emerging Markets, and Public Services MCCs to 2 days; and all others 1 day

PIN Debit

Debit networks are increasing their fees. A debit rate adjustment of \$0.06 per transaction will be effective as of April 1, 2008.

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

September 26, 2007

**CHANGE NOTICE NO. 4
 TO
 CONTRACT NO. 071B5200402
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Nova Information Systems, Inc. 3930 South Lake Drive, Unit 511 St. Frances, WI 53235 paul.gurtner@novainfo.com		TELEPHONE (800) 725-1244 x5539 Paul Gurtner
		VENDOR NUMBER/MAIL CODE (002)
		BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Eileen Bur (517) 636-5400 Credit and Debit Card Processing Services – Statewide - Treasury		
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2009		
TERMS	N/A	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

The attached interchange rates are hereby incorporated into this Contract. Also, PIN (Personal ID Number) encryption for debit card transactions is added in the amount of \$13,000.00. NOTE: The Buyer for this Contract is changed to Jim Wilson (517) 241-1916. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor/agency agreement and DMB/Purchasing Operations' approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$14,261,170.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

March 21, 2007

**CHANGE NOTICE NO. 3
 TO
 CONTRACT NO. 071B5200402
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Nova Information Systems, Inc. 3930 South Lake Drive, Unit 511 St. Frances, WI 53235 <p style="text-align: right;">paul.gurtner@novainfo.com</p>	TELEPHONE (800) 725-1244 x5539 Paul Gurtner
	VENDOR NUMBER/MAIL CODE (002)
	BUYER/CA (517) 241-1647 Irene Pena
Contract Compliance Inspector: Eileen Bur (517) 636-5400 Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2009	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

**Effective immediately, Vital Clearview reporting functionality is added to this Contract.
 All other terms, conditions, specifications and pricing remain unchanged.**

AUTHORITY/REASON:

Per Agency request and DMB/Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$14,261,170.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

September 19, 2006

**CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B5200402
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Nova Information Systems, Inc. 3930 South Lake Drive, Unit 511 St. Frances, WI 53235 lynn.dederich@novainfo.com	TELEPHONE (800) 725-1243 Tim Miller
	VENDOR NUMBER/MAIL CODE (002)
	BUYER/CA (517) 241-1647 Irene Pena
Contract Compliance Inspector: Eileen Bur (517) 636-5400 Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2009	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately the following changes are hereby incorporated into this Contract:

1. The \$5.00 chargeback fee is hereby eliminated.
2. The interchange pricing is hereby updated per the attached document.
3. The debit card pricing is hereby updated per the attached document.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per Agency request and DMB/Purchasing Operations approval

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$14,261,170.00

Visa Interchange Category	Chg Type	Cons/Comm Rates April 2005		Off-line Debit Rates April 2005		Cons/Comm Rates April 2006		Off-line Debit Rates April 2006	
		% Rate	+ Per Item	% Rate	+ Per Item	% Rate	+ Per Item	% Rate	+ Per Item
CPS Retail	1056	1.54%	+\$0.10	1.03%	+\$0.15	1.54%	+\$0.10	1.03%	+\$0.15
CPS Supermarket	1053	1.24%	+\$0.05	1.03%	+\$0.15**	1.24%	+\$0.05	1.03%	+\$0.15**
CPS Rewards 1	1093	1.65%	+\$0.10			1.65%	+\$0.10		
CPS Rewards 2	1094	1.90%	+\$0.10			1.90%	+\$0.10		
CPS Rewards 2 T&E	1095	1.90%	+\$0.10			1.90%	+\$0.10		
CPS Retail 2 Card Present	1050	1.43%	+\$0.05	0.80%	+\$0.25	1.43%	+\$0.05	0.80%	+\$0.25
CPS Retail 2 Card Not Present	1060	1.43%	+\$0.05	0.80%	+\$0.25	1.43%	+\$0.05	0.80%	+\$0.25
Utility	1092	0.00%	+\$0.75	0.00%	+\$0.75	0.00%	+\$0.75	0.00%	+\$0.75
CPS Hotel/Car Rental	1063-1066	1.58%	+\$0.10	1.36%	+\$0.15	1.58%	+\$0.10	1.36%	+\$0.15
CPS Card Not Present	1067	1.85%	+\$0.10	1.60%	+\$0.15	1.85%	+\$0.10	1.60%	+\$0.15
CPS Retail Key Entered	1069	1.85%	+\$0.10	1.60%	+\$0.15	1.85%	+\$0.10	1.60%	+\$0.15
CPS Small Ticket	1084	1.65%	+\$0.04	1.60%	+\$0.04	1.65%	+\$0.04	1.55%	+\$0.04
CPS Retail Service Station	1086	1.43%	+\$0.10	0.70%	+\$0.17	1.43%	+\$0.10	0.70%	+\$0.17
CPS Restaurant	1085	1.54%	+\$0.10	1.19%	+\$0.10	1.54%	+\$0.10	1.19%	+\$0.10
EIRF	1059	2.30%	+\$0.10	1.75%	+\$0.20	2.30%	+\$0.10	1.75%	+\$0.20
CPS E-commerce Basic	1051	1.85%	+\$0.10	1.60%	+\$0.15	1.85%	+\$0.10	1.60%	+\$0.15
CPS E-commerce Preferred	1052	1.80%	+\$0.10	1.55%	+\$0.15	1.80%	+\$0.10	1.55%	+\$0.15
CPS E-commerce Preferred - Hotel	1082	1.58%	+\$0.10	1.36%	+\$0.15	1.58%	+\$0.10	1.36%	+\$0.15
CPS E-commerce Preferred - Auto Rental	1083	1.58%	+\$0.10	1.36%	+\$0.15	1.58%	+\$0.10	1.36%	+\$0.15
CPS E-commerce Preferred - Pass Transport	1081	1.75%	+\$0.10	1.60%	+\$0.15	1.75%	+\$0.10	1.60%	+\$0.15
CPS Account Funding	1055	2.14%	+\$0.10	1.75%	+\$0.20	2.14%	+\$0.10	1.75%	+\$0.20
Standard	1000	2.70%	+\$0.10	1.90%	+\$0.25	2.70%	+\$0.10	1.90%	+\$0.25
GSA Large Ticket - existing	1014	0.95%	+\$35.00			0.95%	+\$35.00		
GSA Large Ticket - that are ≥\$8,750	1017	1.35%	+\$0.00			1.35%	+\$0.00		
Purchasing Large Ticket	1015	0.95%	+\$35.00			0.95%	+\$35.00		
CPS Automated Fuel	1068	1.50%	+\$0.05	0.70%	+\$0.17	1.50%	+\$0.05	0.70%	+\$0.17
CPS Passenger Transport	1061	1.75%	+\$0.10	1.60%	+\$0.15	1.75%	+\$0.10	1.60%	+\$0.15
Purchasing Card Level III Data Rate	1088	1.70%	+\$0.10			1.70%	+\$0.10		
Corporate Card Level II Data Rate	1687	1.90%	+\$0.10			1.90%	+\$0.10		
Business/Purchasing Card Level II Data Rate	1087					2.00%	+\$0.10		
Commercial Card Electronic	1002	2.20%	+\$0.10			2.20%	+\$0.10		
Commercial Card Standard	1001	2.70%	+\$0.10			2.70%	+\$0.10		
International Electronic	1071	1.00%	+\$0.00			1.10%	+\$0.00		
International Standard	1070	1.44%	+\$0.00			1.60%	+\$0.00		
International Commercial Card	1072	1.80%	+\$0.00			1.80%	+\$0.00		
Signature Card Electronic	1012	2.30%	+\$0.10			2.30%	+\$0.10		
Signature Card Standard	1011	2.70%	+\$0.10			2.70%	+\$0.10		
Express Payment Service	1054	2.00%	+\$0.02	1.95%	+\$0.02	Eliminated	Eliminated	Eliminated	Eliminated
Cash Advance	0070	-0.18%	-\$1.50			-0.18%	-\$1.50		
Consumer Credit Vouchers	1077	1.73%	+\$0.00	1.31%	+\$0.00	1.73%	+\$0.00	1.31%	+\$0.00
Commercial Card Credit Vouchers	1078	2.24%	+\$0.00			2.24%	+\$0.00		
Consumer MO/TO Credit Vouchers*	1079	2.04%	+\$0.00	1.87%	+\$0.00	2.04%	+\$0.00	1.87%	+\$0.00
Passenger Transport Credit Vouchers	1076	2.06%	+\$0.00			2.06%	+\$0.00		
Assessments		0.0925%	+\$0.00	0.0925%	+\$0.00	0.0925%	+\$0.00	0.0925%	+\$0.00

*excludes Direct Marketing Sic Codes 596X

** \$0.35 Cap

MasterCard Interchange Category	Chg Type	Cons/Comm Rates April 2005		Off-line Debit Rates April 2005		Cons/Comm Rates April 2006		Off-line Debit Rates April 2006	
		% Rate	+ Per Item	% Rate	+ Per Item	% Rate	+ Per Item	% Rate	+ Per Item
Merit III	1023	1.63%	+\$0.10	1.05%	+\$0.15	1.64%	+\$0.10	1.05%	+\$0.15
SuperMarket	1024	1.43%	+\$0.05	1.05%	+\$0.15*	1.48%	+\$0.05	1.05%	+\$0.15*
Warehouse Club	1026	1.43%	+\$0.05	1.05%	+\$0.15*	1.48%	+\$0.05	1.05%	+\$0.15*
Key Entered	1027	1.95%	+\$0.10	1.64%	+\$0.16	1.95%	+\$0.10	1.64%	+\$0.16
Merit I	1021	1.95%	+\$0.10	1.64%	+\$0.16	1.95%	+\$0.10	1.64%	+\$0.16
Standard	1000	2.70%	+\$0.10	1.90%	+\$0.25	2.75%	+\$0.10	1.90%	+\$0.25
MC Passenger Transport	1022	1.83%	+\$0.10	1.60%	+\$0.15	1.83%	+\$0.10	1.60%	+\$0.15
Convenience Purchases	1080	1.90%	+\$0.00			1.90%	+\$0.00		
MC Travel Industries Premier Service	1033-1035	1.74%	+\$0.10	1.36%	+\$0.15	1.74%	+\$0.10	1.36%	+\$0.15
Corporate Face to Face (Purchasing Cards)	1040	1.95%	+\$0.00			2.05%	+\$0.00		
Corporate Data Rate III	1046	1.75%	+\$0.00			1.75%	+\$0.00		
Corporate Data Rate II	1047	1.95%	+\$0.00			2.05%	+\$0.00		
Corporate Data Rate I	1048	2.65%	+\$0.10			2.65%	+\$0.10		
Corporate T&E II	1004	2.20%	+\$0.10			2.20%	+\$0.10		
Corporate T&E I	1002	2.35%	+\$0.00			2.35%	+\$0.00		
Corporate Standard	1001	2.70%	+\$0.10			2.70%	+\$0.10		
Corporate Large Ticket	1042	1.20%	+\$40.00			1.20%	+\$40.00		
International Electronic ¹	1031	1.37%	+\$0.00			1.47%	+\$0.00		
International Standard ²	1030	2.10%	+\$0.10			2.20%	+\$0.10		
Service Industries	1029	1.15%	+\$0.05	1.15%	+\$0.15	1.15%	+\$0.05	1.15%	+\$0.15
Int'l Full UCAF	1034	1.60%	+\$0.10			1.70%	+\$0.10		
Int'l Merchant UCAF	1049	1.50%	+\$0.10			1.60%	+\$0.10		
US Merchant UCAF	1006	1.63%	+\$0.10			1.64%	+\$0.10		
US Full UCAF	1007	1.73%	+\$0.10			1.74%	+\$0.10		
Diners Electronic	1098	2.00%	+\$0.00			2.00%	+\$0.00		
Diners Standard	1099	2.50%	+\$0.00			2.50%	+\$0.00		
Int'l Corporate ³	1041	2.15%	+\$0.00			2.25%	+\$0.00		

DEBIT NETWORK FEES
SCHEDULE OF FEES: PIN-DEBIT CARDS
 Updated: March 20, 2006

Average Ticket
 Connection to Nova
 Pricing Type
 Enter Per Txn Markup
 State

\$68.00
 Vital
 Markup
 \$0.0555
 MI

RETAIL (EXCLUDING SUPERMARKET)

	IC %	IC Per Item	Switch Fee Per Auth	Cost per Avg Tkt	Max Fee / Network	Nova Markup	Cost to Merchant	Vol. Distrib. for MI State
GENERAL NETWORKS								
Accel	0.65%	\$0.1000	\$0.0300	\$0.4800	\$0.4800	\$0.0555	\$0.5355	0.6%
Star	0.65%	\$0.1300	\$0.0325	\$0.6045	\$0.6325	\$0.0555	\$0.6600	32.0%
Interlink	0.75%	\$0.1500	\$0.0250	\$0.5250	\$0.5250	\$0.0555	\$0.5805	7.4%
Maestro	0.75%	\$0.1500	\$0.0250	\$0.5250	\$0.5250	\$0.0555	\$0.5805	0.3%
NYCE	0.65%	\$0.1000	\$0.0375	\$0.5795	\$0.6875	\$0.0555	\$0.6350	48.9%
Pulse	0.65%	\$0.1000	\$0.0600	\$0.6020	\$0.7100	\$0.0555	\$0.6575	10.5%
Shazam		\$0.2400	\$0.0500	\$0.2500	\$0.2500	\$0.0555	\$0.3055	0.0%
SPECIALTY NETWORKS								
NETS		\$0.1500	\$0.0400	\$0.1900	\$0.1900	\$0.0555	\$0.2455	0.0%
AFFN	0.55%	\$0.1000	\$0.0300	\$0.5300	\$0.5040	\$0.0555	\$0.5595	0.3%
CJ 24	0.45%	\$0.1300	\$0.0250	\$0.4150	\$0.4150	\$0.0555	\$0.4705	0.0%
Money Station		\$0.1800	\$0.0600	\$0.2400	\$0.2400	\$0.0555	\$0.2955	0.0%
Alaska		\$0.0000	\$0.0700	\$0.0700	\$0.0700	\$0.0555	\$0.1255	0.0%

Avg Nova Cost \$0.586

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

July 5, 2006

CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B5200402
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR		TELEPHONE (800) 725-1243 Tim Miller
Nova Information Systems, Inc. 3930 South Lake Drive, Unit 511 St. Frances, WI 53235 lynn.dederich@novainfo.com		VENDOR NUMBER/MAIL CODE (002)
		BUYER/CA (517) 335-4804 Douglas S. Collier
Contract Compliance Inspector: Eileen Bur (517) 636-5400 Credit and Debit Card Processing Services – Statewide - Treasury		
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2009		
TERMS	N/A	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Please see attached Joinder Agreement. This agreement is to be completed for all judiciary enrollees. Please contact Lynn Dederich with Nova Information Systems to process this agreement:

3930 South Lake Drive
 Unit 511
 St. Francis, WI 53235
 Phone: (414) 747-9465
 Fax: (414) 747-9466
 Cell: (262) 337-1545
 Email: lynn.dederich@novainfo.com

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per Agency request and DMB/Purchasing Operations approval

Estimated Contract Value Remains: \$14,261,170.00

JOINDER AGREEMENT TO TOS

This Joinder Agreement to TOS (this "Joinder"), dated as of _____, 20__ (the "Effective Date"), is made by _____ (the "New Merchant"), the State of Michigan ("State"), NOVA Information Systems, Inc. ("NOVA") and U.S. Bank National Association ("Member").

RECITALS

A. State, NOVA and Member have entered into Contract No. 071B5200402 dated as of February 28, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, and which incorporates in Appendix 1 the (1) Terms of Service ("TOS"), (2) Pin-Based, Online Debit Card Addendum to Terms of Service ("Debit Addendum"), and (3) Electronic Check Service Addendum to Terms of Service ("ECS Addendum"); collectively the "Contract") which establishes the terms and conditions upon which Member and NOVA will process Transactions (as such terms are defined in the Contract).

B. The Contract provides in Section 1.001 that all state departments can utilize the Contract with authorization from the State.

C. The New Merchant desires to become a Merchant under the Contract and the State has authorized this joinder.

NOW THEREFORE, for and in consideration of the mutual covenants, conditions, stipulations and agreements set forth herein and in the Contract, and other valuable consideration, the receipt of which is hereby acknowledged, the undersigned hereby consents and agrees as follows:

1. Capitalized terms used in this Agreement, but not otherwise defined, shall have the meanings ascribed to them in the Contract, particularly in Appendix 1, TOS.

2. The New Merchant hereby assumes and agrees to perform all of the terms, restrictions, obligations and conditions of a "Merchant," the "Treasury," the "State" or the "State of Michigan," as each reference is applicable under the Contract (collectively "Merchant") and, by execution of this Joinder, is hereby designated a "Merchant" for purposes of, and agrees to be bound by, all terms of the Contract.

3. NOVA and Member confirm that the New Merchant is a "Merchant" under the Contract and all of the rights and obligations of a Merchant under the Contract shall inure to and bind the New Merchant.

4. The New Merchant hereby confirms that each of the representations and warranties contained in Section 9 of Appendix 1, TOS to the Contract are true and correct on the Effective Date with respect to itself.

5. The New Merchant hereby acknowledges that (a) it has received from the State, NOVA and/or Member true and correct copies of the Contract, (b) it has been advised by counsel in the negotiation, execution and delivery of this Joinder, and (c) the New Merchant shall rely entirely upon its own judgment with respect to its business, and any review, inspection or supervision of, or information supplied to, the New Merchant by NOVA or Member is for the

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

April 13, 2006

NOTICE
TO
CONTRACT NO. 071B5200402
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Nova Information Systems, Inc. 7300 Chapman Highway Knoxville, TN 37920	TELEPHONE (800) 725-1243 Tim Miller
	VENDOR NUMBER/MAIL CODE (002)
	BUYER/CA (517) 335-4804 Douglas S. Collier
Contract Compliance Inspector: Eileen Bur (517) 636-5400 Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2009	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

The terms and conditions of this Contract are those of ITB #071I5200095, this Contract Agreement and the vendor's quote dated 01/13/2005. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: **\$14,261,170.00**

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

**CONTRACT NO. 071B5200402
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Nova Information Systems, Inc. 7300 Chapman Highway Knoxville, TN 37920	TELEPHONE (800) 725-1243 Tim Miller VENDOR NUMBER/MAIL CODE (002) BUYER/CA (517) 335-4804 Douglas S. Collier
Contract Compliance Inspector: Eileen Bur (517) 636-5400 Credit and Debit Card Processing Services – Statewide - Treasury	
CONTRACT PERIOD: From: February 28, 2006 To: October 31, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07115200095, this Contract Agreement and the vendor's quote dated 01/13/2005. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$14,261,170.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07115200095. Orders for delivery may be issued directly by the State Departments through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE VENDOR: Nova Information Systems, Inc. _____ Firm Name _____ Authorized Agent Signature _____ Authorized Agent (Print or Type) _____ Date	FOR THE STATE: _____ Signature Sean L. Carlson _____ Name Director, Acquisition Services _____ Title _____ Date
--	--



Credit and Debit Card Processing Services

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1. Terms of Service, PIN-Based, Online Debit Card Addendum to the Terms of Service, and Electronic Check Service Addendum to the Terms of Service
2. Clarifications
3. Pricing Sheet for Authorization Rates and Transaction Fees



Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The purpose of this Request for Proposal (RFP) is to provide a statewide Contract for processing credit and debit cards. All state departments can utilize this Contract, with authorization from the Department of Treasury.

For the Purpose of this RFP, the State of Michigan, Department of Treasury will hereafter be referred to as Treasury.

Contract awarded from this solicitation will be a unit price contract, based on transaction profile and volume.

1.002 BACKGROUND

The State of Michigan currently has a statewide contract for credit and debit card processing. The State has separate contracts with Discover and American Express that allow acceptance of these cards. Processing for Discover and American Express is handled through the statewide contract in addition to Visa and MasterCard. Approximately 12 departments currently utilize this statewide Contract for processing credit cards. These departments use various methods for processing including Web, Interactive Voice Response (IVR), electronic card terminals, Kiosk, remittance processor and PC-based software. The majority of the State merchant applications use Vital Payment Services. **It is the intent of the State to continue to use Vital Payment Services.** Proposals that do not include Vital Payment Services as a processing option will not be considered for award.

Data security is a critical factor in credit card processing for the State of Michigan. The State is in the process of migrating current merchant applications to the new Centralized Electronic Payment and Authorization System (CEPAS). CEPAS is an Internet based system provided by First Data Government Solutions (FDGS) and utilizes Vital Payment Services. CEPAS provides secure storage of all financial data. At this time, electronic card terminals are not planned to be processed through CEPAS.

This RFP is to replace the existing statewide contract for processing credit and debit cards.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

It is the intent of Treasury to continue to allow payments by credit or debit card. Treasury will limit the use of credit cards to Visa, MasterCard, Discover, American Express, and debit cards. Proposals must include the processing of all of these cards. Bids will not be considered if limited to only a portion of the cards. Each state department reserves the right to select the cards that they wish to accept for payment of fees or services. The State reserves the right to contract with other vendors where a complete package of financial data including credit or debit card processing will be provided for certain projects, which are contracted by the State.

Use of debit/credit cards will include locations in Lansing and throughout the state of Michigan. Currently, the State has 145 locations, 46 are located in Lansing. The majority of the locations will utilize electronic card terminals and printers. Locations may also use CEPAS, Web, IVR, Kiosk, remittance processor and PC-based software.

The following sections, 1.102 through 1.501, are taken directly from Contractor's response to the ITB, and have been modified by the Clarifications contained in Appendix 2 and applicable sections of Article 2 herein. References to Appendices contained in Sections 1.102 through 1.501 refer to Appendices attached to the ITB or the Contractor's response to ITB, and not to the Appendices attached hereto. Further, to the extent the responses in sections 1.102 through 1.501 or Appendix 2 conflict with the Terms of Service ("TOS"), the PIN-Based, Online Debit Card Addendum to the Terms of Service ("Debit Addendum"), or the Electronic Check Service Addendum to the Terms of Service ("ECS Addendum"), the TOS, Debit Addendum and ECS Addendum will apply.

**1.102 OUT OF SCOPE**

1. The State currently uses Standard Federal Bank for its card related depository accounts. Banking services are not a part of this RFP.
2. The State uses Vital Payment Services for the majority of the merchant applications. It is the intent of the State to continue to use Vital Payment Services. Proposals that do not include Vital Payment Services as a processing option are out of scope and will not be considered.

Bidder Response to task:

Citizens Bank Merchant Payment Services, in conjunction with NOVA Information Systems, can process transactions via the Vital Payment Services processing network. The Vital network is a part of our processing systems and offerings, and would be available to the State accordingly.

3. Please identify if the bidder has a terminal/application that supports Check Image and Capture along with credit/debit card processing. If yes, please describe the process. This specification is not a requirement of this Contract. If the State decides to process Check Image and Capture, a contract change request will be made to accommodate the service.

Bidder Response to task:

We offer an Electronic Check Service, which includes electronic check conversion, check verification, and/or check guarantee services. The service can be utilized via hardware equipment and/or software solutions we offer. Please refer to the attached information (Exhibit A) for further details regarding our check processing services.

4. The State may require the Contractor to furnish a bond in connection with this Contract as security for the faithful performance of this Contract according to its specifications, terms, and conditions. Such bond shall be conditioned so that the surety will fully repay/reimburse the State all costs, expenses, and damages, up to the amount of the bond, which may occur as a result of any default of the Contractor.

Please provide the cost of a Performance Bond in the Price Proposal (Appendix 3). The potential bond amount required is \$1,000,000.00 (see section 4.2).

1.103 TECHNICAL ENVIRONMENT

The State is in the process of migrating applications to CEPAS. The migration is scheduled to be completed by September 2006. CEPAS uses an Internet based system hosted by First Data Government Solutions (FDGS). FDGS settles transactions daily to Vital Payment Services via electronic data transfers protected by 128-bit SSL encryption. FDGS is in the process of installing a Frame Relay connection with Vital. Once installed, all transactions processed through CEPAS will be settled via Frame Relay.

State departments use various methods for processing including Web, IVR, electronic card terminals, Kiosk, remittance processor and PC-based software. Connectivity for these processing methods includes Internet with SSL encryption, leased line, and dial. Please refer to Appendix 1 for a complete list of hardware and software used in the state.

The State has four E-Stores that currently use IBM Websphere Payment Manager. Two of the E-Stores are currently being converted to CEPAS. The other two are planned for conversion at a later date. Until converted the IBM Websphere Payment Manager processes must also be supported by this Contract.

The State has a couple of enterprise resource programs. One example of the programs is the MiTAPS (Michigan Timely Application and Permitting System) program. The enterprise applications will process transactions for multiple departments using a single merchant account.

The Department of Natural Resources (DNR) currently uses a vendor for Campground Reservation using WebAuthorize software application.



The Department of State (DOS) currently uses a vendor for the Remittance Processor, which uses a batch authorization process.

In the future, the DNR and DOS processes will eventually be converted to CEPAS. Until converted the existing processes must also be supported by this Contract.

1.104 WORK AND DELIVERABLE

Contractor shall provide Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

Note: Debit card transactions require the use of a separate Personal Identification Number (PIN). Currently, use is restricted to card-present transactions and requires the use of a PIN-pad to complete or authorize the transaction. Unless otherwise stated, further use of the term "credit card" refers to both debit and credit cards.

The following is a preliminary analysis of the major tasks involved for developing the end product of this project. The Contractor is not, however, constrained from supplementing this listing with additional steps, sub tasks or elements deemed necessary to permit the development of alternative approaches or the application of proprietary analytical techniques.

1. Equipment & Processing

1. **Electronic Card Terminal:** Describe the electronic card terminals that you currently provide to merchants and any future plan for technical acquisitions or upgrades.

Bidder Response to task:

We offer a wide variety of processing solutions, designed to meet all of your electronic payment processing needs, including:

- Freestanding, Point-of-Sale Equipment (including wireless/mobile capabilities)
- Software Solutions (ViaWarp, PC Trans Act It)
- Web-based Solutions (E-Pay, ViaWarp, ViaKlix)
- IVR Capabilities
- Virtual Terminals (ViaKlix)
- Electronic Check Services (ECS)

Please refer to the attached exhibits, which provide additional details concerning equipment solutions (Exhibit B) and software solutions (Exhibit C).

Citizens Bank Merchant Payment Services also has the ability to integrate and partner with third party vendors (i.e. Verisign, IC Verify, Official Payments Corporation). We currently have over 200 certified vendor application providers, and we are experienced in timely issue identification and resolution with vendor personnel.

Citizens Bank Merchant Payment Services is highly skilled in working with all types of payment processing medium. As discussed, we frequently work in conjunction with third party solution providers. Therefore, we are well equipped to work within the State's existing systems, as well as serve as consultant and partner to the State, relative to possible solutions yet to come. We have the best technical resources in the industry, ready to address the State's current requirements, as well as to develop additional solutions to further enhance the State's payment processing programs.



2. **Equipment:** Some departments are currently using electronic card terminals (swipe). Terminals refers to the actual authorization terminal, accompanying printer, and pinpad where needed.
 - a. The new Contractor must reprogram current equipment owned by the various departments in order to meet the Contractor's processing requirements at no cost to the State. Terminals/software should be programmed to settle automatically (see Appendix 1, Estimated Annual Sales and Equipment Information by Department).

Bidder Response to task:

We can reprogram the State's existing terminal equipment at no charge. We can program the equipment with an 'Auto Settlement' function, which would allow the State's transactions to settle automatically.

- b. Contractor must provide additional electronic card terminals, manual imprinters and software copies as needed by each Department. Equipment and software may be purchased through the Contractor on a unit-price basis. Price must include installation. Departments will have the option of purchasing equipment and software from alternate sources.

Bidder Response to task:

We would provide the State's departments with any additional terminal equipment, imprinters, and/or software needed, upon request. Please refer to Exhibits B and C for details concerning equipment, hardware, and software solutions. Equipment, hardware, and software would be purchased by the State on a unit-price basis. Price would include installation. The State would have the option of acquiring equipment, hardware, and/or software from alternate sources. We would agree to program and service said equipment, hardware, and/or software, upon prior verification of make/model/version.

- c. Contractor must provide a maintenance agreement for existing/older equipment as well as for new equipment after the expiration of manufacturer's warranty. The State requests a full service agreement for old and new equipment. Replacement equipment must be provided via next day delivery. Please provide a sample copy of a proposed maintenance agreement with the proposal. See Appendix 1 for current equipment (hardware).

Bidder Response to task:

Both existing and new equipment can be swapped for same equipment make/model at no charge. Replacement equipment would be provided via next day delivery (no charge). Maintenance and technical support would be provided to the State at no charge.

3. **PC Software:**
 - a. Describe the most recently supported PC software versions and any future plan for technical acquisitions or upgrades of bidder's organization. While it is not the intent of the State to utilize PC based software, the State recognizes in some instances it may be necessary. Currently the State utilizes POS Partner PC software. The State intends to convert these applications to CEPAS.

Bidder Response to task:

As specified, we can work within the State's existing and future systems.

We are an industry leader in product and technical support. This allows us greater flexibility, with regard to working with various types of software solutions and third party solution vendors. Citizens Bank Merchant Payment Services also has the ability to integrate and partner with third party vendor solutions (i.e. Verisign, POS Partner, IC Verify, Official Payments Corporation). We currently have over 200 certified vendor application providers, and we are experienced in timely issue identification and resolution with vendor personnel.



Citizens Bank Merchant Payment Services is highly skilled in working with all types of payment processing medium. As discussed, we frequently work in conjunction with third party solution providers. Therefore, we are well equipped to work within the State's existing systems, as well as serve as consultant and partner to the State, relative to possible solutions yet to come. We have the best technical resources in the industry, ready to address the State's current requirements, as well as work to develop additional solutions to further enhance the State's payment processing programs.

While we have some new solutions and improvements currently in development, these would be optional. We do not have any future plans for technical acquisitions or organization upgrades that would adversely affect the way in which we would service the State.

- b. PC Based Software must be secure, including at a minimum, 128-bit encryption of sensitive information, such as, card number and expiration date. The software database must be encrypted and account numbers must be truncated. The software must also include role-based security with separate user ids and passwords.

Bidder Response to task:

Citizens Bank Merchant Payment Services/NOVA maintains full compliance with financial network rules and federal, state, and local regulations with regard to e-commerce data privacy and information security, including VISA Cardholder Information Security Program (CISP) and similar programs for other credit-card and debit-card networks, including MasterCard's SDP programs and requirements.

Citizens Bank Merchant Payment Services/NOVA utilizes industry and card association tools, as well as internal processes, in order to monitor and protect data transmissions and system data sources. Data transmissions including card number and expiration date data are encrypted, truncated, and protected.

Citizens Bank/NOVA utilizes a combination of intrusion detection systems, firewalls, file integrity monitoring systems, patch management controls, access controls, and physical security controls in order to ensure unauthorized users do not access systems or data.

We also encourage the use of encryption methodologies on the part of our customers, to encrypt data transmitted to NOVA. NOVA recommends that the data be encrypted prior to transmission, and that the method used for transmission be an encrypted transport method such as VPN, SFTP, or SSH. With regard to transmissions between NOVA's data centers and office facilities, all data is handled across private networks.

Internet based transactions are protected through a combination of security technologies. Obfuscation and encryption schemes are used to protect NOVA's Internet based payment applications. Data transport is protected through the use of SSL, and internal systems that support the Internet based transactions are protected by means of a combination of intrusion detection systems, file integrity monitoring systems, firewalls, access controls, patch management controls, and physical security controls. NOVA is also in compliance with certification for VISA's



Cardholder Information Security Program (CISP), and MasterCard's Site Data Protection Program.

Security controls are of the utmost importance and priority to Citizens Bank Merchant Payment Services/NOVA. All employees must use user ID's and passwords before entering the NOVA platform. Employees do not have access to full credit card data, except for the chargeback and retrieval team. All employees and visitors to the operations center must use identification and security data to enter the facility. NOVA is internally tested and is given an SAS70 report on security. The SAS70 report can be provided upon request.

Our merchant reporting systems (i.e. Merchant C.A.R.E.) would be able to integrate payment channels and payment types, as well as provide for multi-merchant capability, multiple settlement accounts, State-generated data, and multiple login profiles/credentials. Please refer to Exhibit D for more information regarding reporting tools and functions.

All reporting offered by Citizens Bank/NOVA is available at the merchant location up to the headquarter location. The Merchant C.A.R.E. reporting tool offers up to 99 different "levels", which can gain access to information. This means that all levels can be "chained" and set up to view on certain data, all data "beneath" them in the hierarchy, and/or the State as a whole. The reporting systems would allow the State [to]:

- Access control functionality, preventing other account holders from seeing or accessing transaction information from other accounts.
- Access control functionality, allowing administrator accounts access to all transaction information (as specified by the State).
- Access control, allowing administrators to configure access privileges.

4. **Types of charge transactions:** The Contractor must grant merchants the ability to process both card-present and non-card-present transactions.

Bidder Response to task:

Citizens Bank Merchant Payment Services/NOVA would allow merchants the ability to process both card-present and non-card-present transactions. We would work with the State department(s) in order to accommodate respective processing needs such as card present vs. card not present transactions, as well as discuss the most appropriate equipment/software solutions to meet each department(s) specific requirements.

5. **Telecommunications:** The Contractor is responsible for costs associated with establishing and providing secure and acceptable methods of transmitting Michigan confidential/sensitive information over telecommunication devices, for example data encryption, SSL, Public Key Infrastructure, dedicated leased line etc. The Contractor must use data encryption techniques whenever data is transmitted to and from a remote site with the exception of the dedicated leased line. The cipher strength must be 128-bit or better and the minimum speed must be 56,000 BPS. The State currently has two (2) dedicated leased lines.

Bidder Response to task:

Citizens Bank Merchant Payment Services, in conjunction with NOVA, can perform according to these stated requirements. Please refer section 3b. and Exhibit E for additional details concerning processing network/technical specifications.



- a. **Equipment Compatibility:** The Contractor is required to use compatible modem or equivalent communication equipment at all points of data transmission and reception.

Bidder Response to task:

The Citizens Bank/NOVA processing network is extremely flexible, since we maintain and support our own processing networks, and do not use third party providers. We can work within custom interfaces, as well as multiple protocols and formats, in order to support specific merchant requirements.

We would provide/accommodate compatible modem and/or equivalent communication equipment at all points of data transmission and reception.

NOVA's primary and recommended communication protocol is TCP/IP. NOVA's communications protocols currently supported for mainframe connection include TCP/IP, X.25 and 3270 bisync. Protocols supported for dial-up/modem communication include NOVA's proprietary terminal access protocol and Visa Gen 1 and 2. NOVA currently supports frame relay communications. We also have the capability to handle ATM type communications with some varieties of ISDN.

- b. **Long Distance Phone Charges:** The Contractor must include any long distance phone line charges for dialup modem transmission in proposal. The Department will pay only its own local line fee.

Bidder Response to task:

There would be no charge to the State for any long distance phone line/communications charges related to the processing services.

6. **Supplies:** Ribbons, charge slips and carbonless paper (two copies) used for terminal printers and manual imprinters must be provided by the Contractor free of charge.

Bidder Response to task:

Citizens Bank would agree to the State's request.

7. **Customization of Charge slips:** Where departments choose to customize charge slips, they will be supplied by the departments with the Contractor's approval of the basic data required for charge purposes. However, the department reserves the right to determine the charge slip dimensions and include additional wording as required.

Bidder Response to task:

We can customize charge slips based on the State's specifications (wording, contact information, address, etc.), given the capabilities of the equipment.

8. **Merchant Numbers:** The Contractor will assign a merchant number for each department program location at the discretion of the department. The department must have the ability to designate sales only merchants. (If used, the department would process refunds in a central location or by designated merchants.) New merchant accounts must be set up within 5 business days.

Bidder Response to task:

Citizens Bank/NOVA can assign merchant account numbers upon the State's request. New merchant accounts can be set up within 5 business days.

9. **Merchant Category Code:** The Contractor must set up each State merchant as an Emerging Market Merchant in order for the State to qualify for the Emerging Market Interchange rates.



Bidder Response to task:

Citizens Bank/NOVA would set up each State merchant as an Emerging Market Merchant, so that the State merchant will qualify for the Emerging Market Interchange rates.

10. **Processor:** The majority of the State merchant applications use Vital Payment Services. **The State plans to continue to use Vital Payment Services.** Please describe your ability to provide services using Vital Payment Services. Proposals that do not include Vital Payment Services as a processing option will not be considered for award.

Bidder Response to task:

The Vital processing network is available via Citizens Bank/NOVA. We can accommodate the State's requirements in this regard.

11. **Batch/Individual Processing:** Allow batch or individual processing. Batch processing will be used at the discretion of the merchant. Batch transmitting by merchants may vary by the time within the day or by merchant.

Bidder Response to task:

Citizens Bank Merchant Payment Services/NOVA has no limitations in reference to the amount of batches processed per day, number of items per batch, or systems limitations that would affect the number of transactions or batches transmitted. Authorizations can be provided in a real-time (individual) environment or in a batch environment, depending upon the accepting offices' specific parameters. Batches can be processed at date/time of the offices' choice.

12. **Authorizations:** The Contractor must provide local access, 950 access, U.S. Watts access, SSL and IP and allow leased line access and frame relay access. Local or 950 access should return authorizations in 15 seconds or less. IP with SSL encryption, leased line and frame relay authorizations should be returned in 5 seconds or less. Local and 950 access must be available via a voice grade telephone line.

Bidder Response to task:

NOVA's primary and recommended communication protocol is TCP/IP. NOVA's communications protocols currently supported for mainframe connection include TCP/IP, X.25 and 3270 bisync. Protocols supported for dial-up communication include NOVA's proprietary terminal access protocol and Visa Gen 1 and 2. NOVA currently supports frame relay communications. We also have the capability to handle ATM type communications with some varieties of ISDN. NOVA is extremely flexible in these areas since we maintain our own network and do not use third party providers for these functions.

NOVA NETWORK FACTS - OVERVIEW

- Types of connections supported for authorization network:
- Async Dial 65%
- Frame Relay / Internet/VPN 30%
- Point-to-point dedicated circuit 5%
- Multiple connections to each provider from each site for redundancy.
- Data centers are connected via a fully meshed network utilizing DS-3 (45Mb) connections.
- Core switches are Cisco model 6509 running HSRP for transparent fail over.
- Using Nokia Checkpoint NG Firewalls in a High Available layered Configuration.
- Utilizing ISS sensor to provide network intrusion and detection and response capabilities.
- 49 3Com Total Control chassis.
- Each chassis contains 48 modems.
- Total of 2,352 connections.



- NOVA proprietary software:
- optimizes protocol by terminal type
- converts all protocols to TCP/IP for Stratus host
- filters out 'acks' and 'naks' - all host sees is data packets
- routing by transaction and terminal type to Atl or Knx hosts

- Average auth call length on peak day: 10.5 seconds
- Average overall call length: 11.2 seconds
- Current Capacity: 2.5 million calls per day on Primary provider.
- Historical High: 3 million calls per day
- Terminals programmed with primary (MCI) and secondary (AT&T) access numbers.

NOVA NETWORK FACTS - FRAME RELAY

- Multiple connections into AT&T, MCI, and Qwest Frame Relay Clouds from redundant sites.
- Redundant PVC's to assure customer connections.
- Capacity 15.28 TPS per 16k PVC's (PVC's upgradeable in 4k increments).
- Multiple servers in geographical redundant server farms to assure service availability.
- Each server capable of handling 1000 simultaneous connections. Benchmarked at 57 TPS per server.

NOVA NETWORK FACTS - INTERNET

- Multiple DS-3 connections into BellSouth and Qwest running BGP to facilitate outage recovery.
- Multiple servers in redundant server farms to accommodate IP-based traffic.
- Each server capable of handling 1000 simultaneous connections. Benchmarked at 57 TPS per server.
- Currently running at less than 15% of capacity.

NOVA NETWORK FACTS - POINT-TO-POINT DEDICATED CIRCUITS

Protocols supported:

- | | |
|----------------------|-------------------------------|
| • <u>TCP/IP</u> | <u>(57 TPS per 56k port)</u> |
| • <u>3780 Bisync</u> | <u>(3 TPS per 9.6 port)</u> |
| • <u>3270 Bisync</u> | <u>(3.5 TPS per 9.6 port)</u> |

The NOVA Network is NOVA's proprietary telecommunications platform and the principal conduit through which NOVA provides services to merchants. The NOVA Network's design provides efficient switching capabilities, resulting in rapid response time for transaction authorizations. We designed a network specifically tailored to the services NOVA desired to provide, the equipment needed to furnish those services and the functionality those services were designed to achieve.

The NOVA Network utilizes Integrated Services Digital Network ("ISDN") and its associated Non-Facilities Associated Signaling ("NFAS") features. The NFAS features of the NOVA Network facilitate portability of the NOVA Network to long-distance and local telecommunications access.

An advantage of the NOVA Network is its resiliency and routing capabilities. After a point-of-sale ("POS") transaction reaches the NOVA Network via either MCI WorldCom or AT&T, it is immediately converted to ("TCP/IP") protocol. Once converted, the transaction is switched and routed through the NOVA Network via the optimal path. Unlike some transaction processing



companies that employ a front-end processor switch and a back-end switch. NOVA's proprietary TCP/IP routing network provides a competitive advantage in the transaction processing industry. The NOVA Network is TCP/IP based which positions NOVA to explore Internet commerce opportunities. As the Internet is a large, public TCP/IP network, processing Internet originated transactions is a logical extension of NOVA's core competency. NOVA maintains a fully redundant, three-tier meshed network utilizing 3COM Corporation switches and routers. In addition, NOVA uses Open Shortest Path First ("OSPF") routing protocol to ensure the optimal path is always utilized between the modems on the network front-end and the NOVA hosts that switch transactions to the credit and debit card networks. OSPF also ensures speedy network rerouting in the event of hardware failure.

The NOVA host is comprised of Stratus Computer XA2000 series computer systems. The Stratus hardware-based fault tolerant system uses duplex logic and hardware components to ensure system integrity and uninterrupted availability. This architecture results in a tightly coupled operating system environment, which requires no special programming techniques or skills to achieve fault tolerance. Additional system components, including processors, memory, and disk, can be added without taking the system down. Built-in checking and diagnostic aids allow the system to automatically diagnose and isolate failures. Since the system actually does everything twice (in parallel), a single component failure does not degrade the system. NOVA maintains three production systems and one completely separate test system to ensure that development and testing have no impact on production systems.

13. **Testing:** All lines, electronic files, software and equipment utilized must be properly tested by the Contractor and accepted by the State prior to using live data transactions. The Contractor must ensure, as part of the test process, that the equipment is properly programmed and tested so transactions are reflected on the appropriate merchant reports. Test transactions must include, but are not limited to, authorization, refunds, settle and reporting.

Bidder Response to task:

We can accommodate these requirements. We perform extremely thorough testing, prior to going "live" with any final implementations. Upon implementation, ongoing testing and monitoring occurs, in order to ensure the systems are functioning properly.

14. **Test Cards:** The Contractor must provide test cards for both Visa and MasterCard brands to be retained at Treasury for department testing on an ongoing basis. The test cards should have the ability to receive all types of transaction responses including approved, declined and settlement. Please provide details as to number of cards available, credit limits on cards, statements for reconciliation and card capabilities.

Bidder Response to task:

Test cards can be provided in accordance with the State's requirements.

15. **Electronic Commerce:** Departments may elect to accept electronic commerce transactions. Electronic Commerce may include but are not limited to CEPAS, IVR, Kiosks, Remittance Processor and Internet. Contractor must be capable of accepting electronic transactions either in conjunction with a third party or directly from a department. In some cases additional contracts may be necessary to complete Electronic Commerce functionality.

Bidder Response to task:

We offer a wide variety of processing solutions, designed to meet all of your electronic payment processing needs, including:



- Freestanding, Point-of-Sale Equipment (including wireless/mobile capabilities)
- Software Solutions (ViaWarp, PC Trans Act It, third party solutions)
- Web-based Solutions (E-Pay, ViaWarp, ViaKlix, third party solutions)
- IVR Capabilities (ViaWarp, third party solutions)
- Virtual Terminals (ViaKlix, third party solutions)
- Electronic Check Services (ECS, third party solutions)

We are an industry leader in product and technical support. This allows us greater flexibility, with regard to working with various types of software solutions and third party solution vendors. Citizens Bank Merchant Payment Services also has the ability to integrate and partner with third party vendor solutions (i.e. Verisign, POS Partner, IC Verify, Official Payments Corporation). We currently have over 200 certified vendor application providers, and we are experienced in timely issue identification and resolution with vendor personnel.

Citizens Bank Merchant Payment Services is highly skilled in working with all types of payment processing medium. As discussed, we frequently work in conjunction with third party solution providers. Therefore, we are well equipped to work within the State's existing systems, as well as serve as consultant and partner to the State, relative to possible solutions yet to come. We have the best technical resources in the industry, ready to address the State's current requirements, as well as work to develop additional solutions to further enhance the State's payment processing programs.

16. **Chargebacks & Retrievals:** Each department will research and respond to chargebacks and retrievals that result from transactions processed by the department.
- a. The Contractor may not issue Chargebacks without department knowledge and approval. Chargeback notifications must be faxed or provided electronically by a secure method to each department for review. The Contractor shall allow the department at least 10 business days to review/research chargebacks. The Contractor needs to establish a chargeback area and/or contact person dedicated to assisting each department in resolving chargeback transactions. Staff assigned to State Contract should be aware of the unique State Contract requirements and promptly respond within 48 hours. The Contractor must not charge a chargeback fee. Please provide a detailed description in the bidder's proposal for responding to this requirement. **See**

Bidder Response to task:

In reference to chargebacks, Citizens Bank Merchant Payment Services/NOVA maintains it's own in-house chargeback department that is responsible for the daily processing and research of chargebacks. Our primary objective is to reduce our clients' exposure to unwarranted issuer chargeback items. Our chargeback systems are largely automated, with minimal handling of front-end chargebacks. We currently re-present 35% of all chargebacks (excluding "non-receipt of requested item" chargebacks which have no re-presentation rights) without impacting the merchant.

Citizens Bank Merchant Payment Services/NOVA currently utilizes MasterCard's MasterCom Retrieval Request System, as well as VISA's CRF Systems. Due to the time sensitivity of chargebacks, stringent deadlines and procedures are followed. All retrieval requests are processed the same day they are received. All non-documentation chargebacks are processed within three days of receipt by NOVA. Citizens Bank Merchant Payment Services operates within MasterCard and VISA regulations in holding documentation required chargebacks for 21 days. All of those chargebacks are dispositioned by the 22nd day. All chargebacks are



referenced against NOVA's internal network history file for credit transactions before a "non-receipt of credit" chargeback is processed.

When charging an item back, an issuer has 21 days to send the required documents to the acquirer. It is NOVA's policy that if the documentation is not received by day 22, then the item is automatically reversed. We feel this protects our merchant by ensuring that they will have the most time allowable by VISA and MasterCard to respond to any chargeback. Other acquires wait as long as 35 days hoping the documentation arrives. If it arrives on day 35, the merchant would be left with less than ten days to submit a rebuttal.

Citizens Bank/NOVA can further assist in the following ways, with regard to chargeback situations:

- Incoming chargebacks received through Visa/MasterCard interchange are systematically run against our merchant master file and transaction cross-reference file to retrieve transaction data. The chargeback record is then passed to our Automated Dispute Resolution Processing system (ADRP).
- ADRP prints a chargeback form for every incoming transaction. All chargebacks are verified against our credit (refund) history file, which retains all refunds processed by NOVA during the past six months. Then, the chargeback forms are sorted by chargeback reason code. Reason codes are sorted between those that do not require documentation from the issuer or research data, and those that require documentation or internal research (i.e. copy retrieval request, cardholder letter or authorization log).
- Our research data or Issuer-provided documentation is matched to the chargeback form and assigned a chargeback representative based on reason code. Chargebacks are assigned by reason code to ensure thorough, consistent and timely processing.

We will support and represent your interests in processing chargebacks in the following ways:

- To minimize chargebacks, we will work with you to ensure your credit card acceptance procedures comply with Visa/MasterCard operating regulations.
- We will pre-screen chargebacks for compliance with all Visa/MasterCard operations regulations, including: chargeback time frames, usage codes and documentation requirements.
- We work to maximize the time available within the chargeback cycle for you to respond to a chargeback.
- We re-present invalid chargebacks to the "issuing bank" with the least amount of involvement from the merchant.
- We will leverage Visa/MasterCard chargeback processing cycles and arbitration processes.
- We will represent our merchant's interests to Visa/MasterCard by leveraging our participation on Association boards, committees and working groups.

We have developed a proprietary facsimile to fulfill copy retrieval requests whenever possible to minimize the number of requests for copy required by the merchant. We will automatically fulfill copy retrieval items when the required data elements are provided to Citizens Bank/NOVA (except those requests that specifically require original documents, or those that may not be legible).

Copy retrievals are fulfilled via an online system with Visa and MasterCard. If, for some reason, the document cannot be fulfilled by NOVA, a fax will be sent to the merchant requesting a copy



of the sales transaction and when fulfilled may be returned to Citizens Bank via fax. Citizens Bank will provide a 15 day reminder for any items that have not been received within 15 days of the 30 day cycle. This notification date can be changed to 5, 10 or 21 days, depending on your needs.

ADRP (Automated Disputes Resolution Processing) helps us manage the chargebacks you may receive. However, it goes a step further to provide you with the tools you can use to help prevent future chargebacks. ADRP gives you more time to respond, less chance to miss important cut-off deadlines, and further opportunities to save both time and money.

- **Auto/Same Day Fulfillment**

We have improved the process we use in handling fulfillment requests. The enhanced system allows for a more automated process and auto/same day fulfillment.

- **Check the Status of Copy Requests Online**

Using the greater reporting capabilities of C.A.R.E., you can verify the status of your copy requests from the convenience of a PC.

- **Informative, Instruction Chargeback Forms**

The chargeback forms provide a list of actionable steps to help in responding to current chargebacks, as well as minimize future occurrences.

- **Fax Notification**

Chargeback notices and copy retrieval requests can be received via fax.

- **Facsimile Fulfillment**

For direct depositors. We will reply on behalf of the merchant via facsimile for all requests that do not require original signature.

As discussed, the proposed reporting tools and support teams would provide for real-time access to information and customer support. We would provide the State with an extensive, dedicated support staff, as well as access to a 24 hour/7 days per week (including holidays) support department. These resources would provide the State with any and all means necessary to address questions, research specific transactions, perform training and troubleshooting functions, and resolve payment processing issues. Escalation contacts, with regard to service/support issues, would also be provided to the State.

- b. **Chargebacks on Merchant Statements:** The Contractor must post chargebacks to the monthly merchant statement using a case number (or other identifier) which will be used to reconcile chargeback records. The same number must be used on the chargeback notification and passed in the ACH record.

Bidder Response to task:

Any chargebacks can be posted by case number (or other identifier) accordingly. The State would have automatic access to this information via the reporting tools discussed.



- c. **Retrievals:** Notifications must be faxed or provided electronically by a secure method to each merchant for review. The Contractor shall allow the department at least 10 business days to review/research retrieval requests. The Contractor must not charge a fee for retrieval requests.

Bidder Response to task:

Notification of retrievals would be provided in accordance with these specifications. The State would have automatic access to this information via the reporting tools discussed.

17. **Batch Processing:** The State has one department that currently processes transactions through a remittance processor. The remittance processor scans credit card information from a specialized form that is mailed/faxed by the customer and creates an electronic file that is transmitted in a batch to the credit card processor. The current contractor processes batch authorizations, settles the transactions and returns an electronic file back to a department. It is the department's responsibility to resolve any exception transactions (e.g. declined, pick up card etc.). The Contractor must be capable of accepting and processing batch transactions either in conjunction with a third party or directly from a department

Bidder Response to task:

We can work in conjunction with a third party or directly with a department to address these items, as specified.

18. **Campground Reservations:** The Department of Natural Resources uses a contractor to process campground reservations. The contractor uses WebAuthorize and processes through Vital Payment Services. Please describe your ability to support this merchant application.

Bidder Response to task:

The WebAuthorize solution is certified to our processing network, through Vital Payment Services.

19. **Interface with CEPAS:** The Contractor must have the ability to interface with the State's CEPAS system, administered by First Data Government Solutions (FDGS). FDGS uses Vital Payment Services for processing the State's transactions.

Bidder Response to task:

We would work with the State, to accommodate desired technical specifications.

20. **Regulation Changes:** The Contractor must advise the State of ongoing credit card regulation changes. Regulation changes must be provided to the Contract Compliance Inspector or designee within 7 calendar days to allow the State to comply.

Bidder Response to task:

The relationship management and support teams would proactively advise the State of ongoing credit card regulation changes, updates, etc.

We would also take a consultative approach, in providing assistance regarding regulation changes, Internet gateways, third party solutions, convenience fee programs, Interchange qualification, and technical questions, as well as many other key areas that could impact the State.

Further, NOVA maintains an extensive library of merchant information material to assist our merchant customers. This information is available 24 hours a day at 'www.merchantconnect.com'. This information assists our merchant clients with information on industry and regulatory updates, how to qualify for best rates, reduction in fraud, equipment information and chargeback avoidance help, and general customer service questions/issues.

Regulations updates/changes are also posted on monthly merchant statements and online for



notification purposes.

21. **Interchange Monitoring:** The Contractor must monitor the States' account for interchange compliance on a monthly basis to ensure the State is qualifying for the best interchange rates.

Bidder Response to task:

Citizens Bank/NOVA would assign a dedicated support staff, which would proactively provide these services, in addition to other key account management services.

22. **Extended Purchasing Program:** The Extended Purchasing Program referenced in section 3.006 should be open to the Judicial Branch (Courts) of State government. The Contractor should provide services to the Courts at the established State (Executive Branch) Contract prices and terms. Inasmuch as these are non-State agencies, all purchase orders or merchant applications for the Courts will be submitted, invoiced and paid directly on an individual basis in accordance with Contract terms mutually established or determined by the Courts and the Contractor.

Please indicate if bidder will honor orders/merchant applications from the Courts on any Contract resulting from this RFP/ITB. The State (Executive Branch) will not be liable for transactions of the Courts. The Credit Card Project Director in section 1.203 will not be responsible for implementing, monitoring and managing the card program for the Courts. The Courts will work directly with the Contractor to set up new merchant locations, make changes to existing locations and to resolve card related issues.

Bidder Response to task:

The Courts can take part in the programs/pricing set forth within this program. Citizens Bank/NOVA would work directly with the Courts to contract and set up new merchant locations, make changes to existing locations, and resolve card related issues.

2. Banking

1. **Depository bank Account:** The State of Michigan generally uses Standard Federal bank as the depository bank for card transactions. The State reserves the right to change depository banks or utilize multiple banks. Treasury requires separate bank accounts for each department utilizing this Contract. Treasury will provide the bank account numbers. Currently the State has 12 separate depository bank accounts. The number of bank accounts will increase as departments are added. Contractor must have the flexibility to allow the State to designate the depository account for each merchant.

Bidder Response to task:

Citizens Bank Merchant Payment Services/NOVA can design the settlement strategy in a variety of ways to accommodate multiple settlement accounts. The State can determine which account(s) to direct deposits to, and can also designate the same or different account(s) for processing fees, chargebacks, etc., if desired.

2. **Funds Availability:** The Contractor must make funds available to the State Treasurer's bank accounts via ACH within one business day following receipt of settlement transactions.

Bidder Response to task:

Funds would be available to the State within 1-2 business days, depending upon weekends/holidays, etc.

3. **Deposit Posting Options:** Currently, most departments receive one deposit per day (deposits for all merchant accounts rolled together). Some departments require multiple deposits depending on entry method (E.g. Remittance processor, IVR, etc.).



- a. The Contractor must have the flexibility to post deposits to the State's depository accounts by department, merchant account, association (like a region or group of merchants) or bank account.

Bidder Response to task:

We can post deposits in accordance with the State's specified parameters.

- b. If the State decides to record deposits by merchant or association, the Contractor must pass an identifier (E.g. merchant # or association #) in the ACH detail.

Bidder Response to task:

An identifier can be passed (i.e. merchant #, invoice #, customer code, etc.). The information would be accessible via reporting tools.

4. **End of Month Fees:** Fees are to be processed once a month. The fees must be processed using the same posting method as deposits. The Contractor must have the flexibility to process fees by merchant, association, (like a region or group of merchants), department or by bank account.

Bidder Response to task:

We can design a funding/fee program in accordance with the State's specified parameters.

5. **Chargeback ACH Detail:** The Contractor must include a case number (or specific identifier) in the ACH detail for each chargeback processed to the State's depository accounts. This identifier will be used to reconcile the chargeback notification, bank statement and the merchant statement.

Bidder Response to task:

Identifying information can be provided for tracking purposes accordingly. The State would also have direct access to this information via the reporting tools discussed.

6. **Payment for Services:**

- a. All on-going services and fees provided must be charged to each specific department account which will net against credit receipts (this may include, per transaction fees, reports, and all other related on-going costs). Ongoing services and fees will be charged on a monthly basis.
- b. All one time costs and fees (these may include equipment and software) are to be invoiced to the specific department. These one-time costs will be paid for through the State's disbursement program (see section 2.001).

Bidder Response to task:

We can design a settlement and fee program which would meet the State's stated specifications.

3. **Advertising**

1. **Advertising Materials:** The Contractor must supply each department with any advertising materials required. However, the department will determine to what extent and the limits that such material is displayed or utilized. The display or utilization of such approved material will be in a manner complying with the Contractor's instructions and department policy.

Bidder Response to task:

We can provide advertising materials. The State and its agencies would determine to what extent the materials are utilized, in accordance with card Association regulations.

4. **Customer Service**



1. **Merchants:** The Contractor must maintain a single point of contact for Merchants at the Contractor's expense to assist with chargebacks, retrieval, equipment problems, ordering supplies and general inquiries. This service shall be available by phone from 8:00 to 5:00 p.m. Eastern Time. In addition, assistance with processing problems must be available 24 hours a day 7 days a week. The Contractor must respond within 48 hours. (Also see sections 1.104.1.15.a and 1.301.4).

Bidder Response to task:

The proposed project team for the State would consist of a highly specialized relationship management team. The team would be comprised of consultants dedicated to servicing high-level government accounts, operational managers, and expert customer service representatives, all led by a primary relationship manager. This would allow us to provide complete, specialized support to the State, while maintaining a single, primary point of contact in the relationship manager. The relationship manager would serve as a liaison for any and all service issues or requirements, including any exception items and/or error handling. Additionally, the State would have access to reporting tools that would allow for direct exception item and error handling.

Day-to-day type support by our expert operations and support staff, would also be available to service all of the State's operational departments 24 hours per day, seven days a week (including holidays). This department would further serve as a resource to the State, regarding any technical issues, exception items, error handling, and/or operational questions.

Citizens Bank Merchant Payment Services/NOVA would provide complete customer service and maintenance related services free-of-charge to the State (i.e. research requests, reporting, equipment and software support, training, support issues, etc.). We also take a consultative approach, in that we can provide assistance in reference to Internet gateways, third party solutions, convenience fee programs, Interchange qualification, and technical questions, as well as many other key areas that could impact the State.

The State and its agencies would have access to our merchant and technical service departments 24 hours per day/7 days a week/365 days a year.

Please see below for additional information concerning customer service, maintenance, and support protocols.

NOVA Primary Customer Service Center

- Telephone Number 1-800-777-7240
- Email: service@NOVAinfo.com or www.merchant.com
- Open 24 hours a day, all year
- Foreign Language Service is available
- Two back-up service centers
- Number of employees at primary service center – approximately 350

Routine technical service inquiries and information requests are resolved on the first call, with 98% of routine merchant service research requests handled within 24 hours.

Research request protocol:

- Commitment to call backs is within 2 hours
- Calls are typically returned within the same day

Nova does not have scheduled technical systems downtime.



All merchant notifications are issued via merchantconnect.com, Merchant C.A.R.E. reporting messages, and via merchant statement messages.

The technical support center toll-free service line is up-to-date regarding all system issues. Therefore, we can assess network and point of sale performance and issues at any time.

Technical Support:

- Year round (24 hours per day, 7 days per week, including holidays) support
- Three distinct departments under technical support
 - Terminal support group
 - PC products support group
 - Internet products support group

Key performance measures:

- Average speed of answer or ASA <= 35 sec.
- Average talk time 300 seconds
- Average 12,500 calls per day
- 3% abandoned rate
- Abandoned goal between 4.5% – 5.0%
- 95% of calls logged daily by type of call

The relationship management and support teams are generally available Monday-Friday, 7:30AM until 5:30PM CST. An account executive would have a pager in case of any urgent issues. As discussed, year round (24 hours per day, 7 days per week, including holidays) support would also be available to the State.

NOVA completes internal and ongoing quality improvement programs. On an annual basis, we utilize an outside research company to conduct a survey among a random sampling of our merchants. Some of the measurements include:

- System reliability
- Overall Customer Satisfaction
- Recommends NOVA to another merchant
- Processing speed
- Ease of use (products and services)

NOVA is also extremely proud of its industry ranking, as #1 Merchant Processing Network by MasterCard for Speed and Reliability.

The relationship management and support teams would be responsible for ongoing and continuous performance monitoring and any problem resolution.

2. **Other Contractors:** It is the responsibility of the Contractor to work with the State and other contractors (e.g. Vital, FDGS, etc.) to assist in problem resolutions including but not limited to, establishing new communications channels, downtime, testing, etc.

Bidder Response to task:

As discussed, NOVA is a leader with regard to operational support and interaction with its certified software vendors. NOVA has over 200 certified vendor application providers, and is quite experienced at timely problem solving and issue identification/resolution with vendor personnel.



5. Training

1. **On-site Training:** The Contractor must provide appropriate and adequate on-site training and materials to each department when new merchants are setup at no cost to the State. Training will include use of electronic card terminals, software, and reports. Training must include instructions for distinguishing between debit and credit card.

Bidder Response to task:

We provide thorough set up and training at no charge. Training and related materials would be provided at no charge to the State. Training would encompass the parameters specified herein. Equipment reprogramming would be provided at no charge to the State. Ongoing training is also available upon request 24 hours per day/7 days per week via our support staff help desk, as well as personalized support via training seminars, etc.

Citizens Merchant Payment Services/NOVA would provide an implementation team to the State to ensure proper implementation of the work plan. The team is responsible for providing the necessary support prior to, during, and following the implementation.

The team is prepared to insure a smooth, swift implementation and is committed to providing ongoing support when needs change and/or additional municipalities and sub-divisions require such assistance. The implementation team would make a thorough assessment regarding the processing, training, reporting and reconciliation needs of each of the State agencies or departments. The State would establish priority sites and define any processing obstacles (i.e. peak processing or busy season) in conjunction with our implementation specialist. Categorization by product would occur next so that an implementation schedule could be approved and distributed for departments and selected training representatives. The implementation team and internal trainers will conduct telephone and/or in-person training where appropriate, and group or train the trainer seminars so as to finalize the implementation.

2. **Visa/MasterCard Regulations:** The Contractor must provide general Visa/MasterCard regulation training to Treasury when applicable. The Contractor must advise the State of ongoing regulation changes.

Bidder Response to task:

We would proactively provide notification of any card association regulations changes and/or updates, as discussed. We would also provide any ongoing regulation training upon request, at no charge.

6. Security

Appendix 7 explains the security threat measures and responsibilities that are required of the winning Vendor. Each section of Appendix 7 states these measures and responsibilities as a series of requirements.

Because the fulfillment of the requirements may reveal proprietary information of the bidder, no direct response is needed at the time of bidding. On award of the Contract, the bidder becomes fully responsible for meeting all requirements herein. There are no implied exceptions or exemptions to these requirements and bidders are encouraged to seek all answers and clarifications to their questions about Appendix 7 before submitting a proposal to the State of Michigan.



1. **Data Security:** The Contractor will provide security protecting the payer's personal and financial information from unauthorized use and theft. Payer information is of high sensitivity and high security level. The bidder's solution will be subject to review by the Department of Information Technology's Office of Enterprise Security. Security protecting personal and financial information includes, but is not limited to; merchant #s, bank account #s, transmission, software, hard copy & Internet based reporting. Describe security technology that bidder uses to ensure data security.

Bidder Response to task:

Citizens Bank Merchant Payment Services maintains full compliance with financial network rules and federal, state, and local regulations with regard to e-commerce data privacy and information security, including VISA Cardholder Information Security Program (CISP) and similar programs for other credit-card and debit-card networks, including MasterCard's SDP programs and requirements.

Citizens Bank Merchant Payment Services/NOVA utilizes industry and card association tools, as well as internal processes, in order to monitor and protect data transmissions and system data sources.

NOVA utilizes a combination of intrusion detection systems, firewalls, file integrity monitoring systems, patch management controls, access controls, and physical security controls in order to ensure unauthorized users do not access systems or data.

NOVA also encourages the use of encryption methodologies on the part of our customers, to encrypt data transmitted to NOVA. NOVA recommends that the data be encrypted prior to transmission, and that the method used for transmission be an encrypted transport method such as VPN, SFTP, or SSH. With regard to transmissions between NOVA's data centers and office facilities, all data is handled across private networks.

In the event of a security breach involving a NOVA system, our responsibility would be to respond to the incident, contain it, evaluate the impact and notify the parties involved. Incidences can be assessed by their corresponding level of severity or impact. Meaning that the more serious the potential incident (i.e. an incident involving the compromise of merchant or cardholder data) require that we notify all of the parties involved, including merchants, cardholders (through the issuers), any other processors that were involved, the Associations (Visa and Master Card). We would also need to notify the U.S. Department of the Treasury's Office of the Comptroller of the Currency, since they have regulatory oversight for our operations. Lower severity alerts may require no notification, such as virus attacks, or other attacks where no information is compromised.

NOVA has never experienced an intrusion of this severity, during which cardholder and/or merchant information was compromised as the result of an attack on a NOVA system.

In the event of an attack, our policy is to notify the issuers that card information was compromised, and they notify the cardholders. Cardholders are not liable in these cases, and currently the associations hold the processor (NOVA) responsible for any breaches, even if it involves a vendor, and were not a breach of a NOVA internal system.



We are unable to include at this time specific procedures for our incident response tactics, since that would expose internal sensitive information directly related to incident response measures that would be taken. However, we have formal procedures in place in this regard, and we test them regularly. We could possibly provide additional documentation to the State in this regard, if desired.

Internet based transactions are protected through a combination of security technologies. Obfuscation and encryption schemes are used to protect NOVA's Internet based payment applications. Data transport is protected through the use of SSL, and internal systems that support the Internet based transactions are protected by means of a combination of intrusion detection systems, file integrity monitoring systems, firewalls, access controls, patch management controls, and physical security controls. NOVA is also in compliance with certification for VISA's Cardholder Information Security Program (CISP), and MasterCard's Site Data Protection Program.

Security controls are of the utmost importance and priority to NOVA. All employees must use user ID's and passwords before entering the NOVA platform. Employees do not have access to full credit card data, except for the chargeback and retrieval team. All employees and visitors to the operations center must use identification and security data to enter the facility. NOVA is internally tested and is given an SAS70 report on security. The SAS70 report can be provided upon request.

- a. **Restricted Access:** The Contractor must provide restricted access to confidential/sensitive information such that there is no unauthorized access to payer information.

Bidder Response to task:

All information is encrypted and protected in accordance with all card Association regulations, and related program, as discussed. Please see section 6.1 (Security).

- b. **Confidentiality:** The Contractor must provide confidentiality of all records such that there is no information leakage or inappropriate disclosure of confidential/ sensitive information. The Contractor must agree not to disclose, sell, or use any information contained on card transactions, documents or reports furnished by State departments in connection with this program. If tax collection or other confidential programs are added, all associated employees of the Contractor will be required to sign a statement of confidentiality (an amendment to the Contract will need to be completed to advise the Contractor of confidentiality/safeguard requirements). Destruction of testing materials used in the development of the process must be handled as confidential shred and destroyed in accordance with Department of Management and Budget guidelines (policy 0340.07 [Destruction of Confidential Records] at http://www.michigan.gov/dmb/0,1607,7-150-9131_9347-28168--,00.html).

Bidder Response to task:

We can accommodate the State's specifications described herein.

- c. **Access Protection Controls:** The Contractor will provide proof to the Contract Compliance Inspector or designee that computer systems used for the processing, storing and transmitting of Michigan information have computer access protection controls including a security policy, accountability, assurance and documentation in compliance with State of Michigan policies per Appendix 7.

Bidder Response to task:



Additional documentation as outlined herein can be provided upon request.

- d. **Security Policy:** The Contractor must provide a written Security Policy governing business conduct with proposal.

Bidder Response to task:

NOVA maintains full compliance with financial network rules and federal, state, and local regulations with regard to e-commerce data privacy and information security, including VISA Cardholder Information Security Program (CISP) and similar programs for other credit-card and debit-card networks, including MasterCard's SDP programs and requirements.

NOVA utilizes industry and card association tools, as well as internal processes, in order to monitor and protect data transmissions and system data sources.

NOVA utilizes a combination of intrusion detection systems, firewalls, file integrity monitoring systems, patch management controls, access controls, and physical security controls in order to ensure unauthorized users do not access systems or data.

NOVA also encourages the use of encryption methodologies on the part of our customers, to encrypt data transmitted to NOVA. NOVA recommends that the data be encrypted prior to transmission, and that the method used for transmission be an encrypted transport method such as VPN, SFTP, or SSH. With regard to transmissions between NOVA's data centers and office facilities, all data is handled across private networks.

In the event of a security breach involving a NOVA system, our responsibility would be to respond to the incident, contain it, evaluate the impact and notify the parties involved. Incidences can be assessed by their corresponding level of severity or impact. Meaning that the more serious the potential incident (i.e. an incident involving the compromise of merchant or cardholder data) require that we notify all of the parties involved, including merchants, cardholders (through the issuers), any other processors that were involved, the Associations (Visa and MasterCard). We would also need to notify the U.S. Department of the Treasury's Office of the Comptroller of the Currency, since they have regulatory oversight for our operations. Lower severity alerts may require no notification, such as virus attacks, or other attacks where no information is compromised.

NOVA has never experienced an intrusion of this severity, during which cardholder and/or merchant information was compromised as the result of an attack on a NOVA system.

Internet based transactions are protected through a combination of security technologies. Obfuscation and encryption schemes are used to protect NOVA's Internet based payment applications. Data transport is protected through the use of SSL, and internal systems that support the Internet based transactions are protected by means of a combination of intrusion detection systems, file integrity monitoring systems, firewalls, access controls, patch management controls, and physical security controls. NOVA is also in compliance with certification for VISA's Cardholder Information Security Program (CISP), and MasterCard's Site Data



Protection Program.

- e. **Testing:** The Contractor will provide annual testing of all access controls and other security features to determine they are working properly. Annual certification must be provided in writing to the Contract Compliance Inspector or designee.

Bidder Response to task:

Our experts overseeing systems security would provide ongoing testing and monitoring to ensure all access controls and security features are functioning properly. Documentation/certification can be provided in accordance with the State's specifications.

- f. **Communications:** The Contractor is responsible for costs associated with establishing and providing secure and acceptable methods of transmitting Michigan confidential/sensitive information over telecommunication devices, for example data encryption, SSL, , Public Key Infrastructure, dedicated leased line, etc. The Contractor must use data encryption techniques whenever data is transmitted to and from a remote site with the exception of the dedicated leased line. The cipher strength must be 128-bit or better and the minimum speed must be 56,000 BPS.
- g. **Safeguards:** The Contractor will provide adequate safeguards to prevent unauthorized entry from remote database access mechanisms such that there is no unauthorized entry from these mechanisms.

Bidder Response to task:

As discussed, we would provide adequate safeguards accordingly.

- h. **Inventory of Media:** The Contractor must maintain and provide a recorded inventory of all magnetic and electronic media received such that no information is lost and no access is given to unauthorized persons; this could lead to identity theft by unauthorized persons.

Bidder Response to task:

We maintain and protect this data in accordance with the card Associations rules and regulations, federal and local laws, etc.

2. **Account Truncation:** The Contractor will truncate account numbers on all communications, (hard copy and electronic) including but not limited to chargebacks, retrievals, transaction receipts and transaction detail reports. **In compliance with current privacy legislation, 15 USC 94-Privacy, transaction receipts cannot display any part of the expiration date and may only display the last four digits of the consumer's card number.**

Bidder Response to task:

NOVA complies with all card association rules/regulations and legislation pertaining to truncation.

3. **Department of State File:** The Department of State has a merchant application that currently processes transactions through a remittance processor. The remittance processor scans credit card information from a specialized form that is mailed/faxed by the customer and creates an electronic file that is transmitted in a batch to the card processor. The current contractor processes batch authorizations, settles the transactions and returns an electronic file back to a department. It is the department's responsibility to resolve any exception transactions (e.g. declined, pick up card, etc.) The file that is received provides the full (untruncated credit card number) account number. This merchant uses a dedicated leased line to send and receive files to the batch authorization system. The Contractor must have the ability to support this process. Once the file is received, the Contractor must store the file in a secure manner per section 1.104.6. Appendix 6 attached shows the specifications for the file layout.



Bidder Response to task:

We can work with the State to provide the process described herein.

4. **Destruction of Confidential Information:** The Contractor shall define their procedure for destruction of Confidential Information during the processing of credit card payments under this Contract.

Upon termination or cancellation of the Contract for any reason, Contractor shall certify to the State in writing that the Contractor has destroyed all State Confidential Information.

Bidder Response to task:

We can provide documentation upon request accordingly.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

Identify Contractor staff who will be involved, identify by name the individuals, and describe in detail their roles and responsibilities. If an overall organization chart has been developed, then provide a reference to that chart as well. Note any part-time personnel. Descriptions of roles should be functional and not just by title.

Bidder Response to task:

The following individuals, would serve as the primary contacts and support staff to the State.

In addition to these individuals, NOVA Information Systems would assign specific account managers, and would also provide a multitude of other contacts and resources to the State, in order to properly services its accounts.

Lynn Dederich, Regional Manager
Government & Institutional Sales
NOVA Information Systems

Lynn Dederich is the Regional Manager for NOVA Information Systems, responsible for Government and Institutional client relationships. Ms. Dederich has worked in the Bankcard industry for over ten years, specializing in relationship management, sales, and service. Her primary focus is government related accounts. She is a leading expert in the Merchant Payment Services industry. Ms. Dederich has spent the past 15 years managing high-profile client relationships. Ms. Dederich has degrees in Business and Marketing, from Marquette University (Milwaukee, Wisconsin).

Ms. Dederich coordinated our response to the State's RFP, and would address any questions regarding the response. She would also be responsible for subsequent discussions pertaining to pricing, negotiations, agreements, implementation, and service.

Bobby Lawson, Vice-President
Government & Institutional Sales
NOVA Information Systems

Bobby Lawson is the Vice President of Government Sales for NOVA Information Systems, Inc. He possesses over 12 years of experience in the Bankcard industry, specializing in the Public



Sector/Government during the past 5 years. Mr. Lawson has worked with countless numbers of government agencies, and continues to be the leading expert in Merchant Payment Services for Government/Public Sector.

Mr. Lawson has served on several advisory councils including the National Electronic Commerce Coordinating Council (NECCC) and the Government Technology Southeast Committee (GTC). Prior to working in the Bankcard Industry, Mr. Lawson attended and graduated from North Georgia Military College and State University where he earned a commission in the United States Army. Mr. Lawson served as an NCO in the United States Army Reserve from 1987-1991, and as an Officer from 1992-1996. He also served as a platoon leader in Operation Desert Storm.

Mr. Lawson would work in conjunction with Ms. Dederich in coordinating subsequent discussions and negotiations with the State. Mr. Lawson would also serve as an escalation contact with regard to contract dealings and service.

Jim Kirkeide, Senior Relationship Manager
Relationship Management/Support
NOVA Information Systems

Mr. Kirkeide has over twelve years experience at NOVA, including eight years within Merchant Payment Services. Mr. Kirkeide currently manages a merchant portfolio that processes in excess of \$2 billion annually in Bankcard volume. This client base of 15 key strategic relationships represents over 7,000 nationwide locations. Mr. Kirkeide supports his clients' ability to process credit, on-line debit, electronic check, and electronic gift card transactions through both integrated systems and point of sale devices through various access methods and processes. Jim works closely with each of his clients to ensure that appropriate and proper systems are utilized to maximize client efficiencies and cost containment.

Mr. Kirkeide would work to oversee and service the needs of the state, with regard to proper set up, timely implementation, reporting, Interchange qualification, transaction and pricing inquiries, ongoing support, and other key servicing management functions.

Richard Hutcherson, Senior Implementation Manager
Implementation & Service
NOVA Information Systems

Mr. Hutcherson is the Senior Manager for NOVA Information Systems' Implementation Department. Mr. Hutcherson possesses over 10 years of experience in this role, and his primary focus during this time has been coordinating the implementation of large, high-level accounts.

Mr. Hutcherson, in partnership with Ms. Lynn Dederich, would serve as the State's implementation specialist, in coordinating a smooth and seamless transition for the State. Mr. Hutcherson, in conjunction with his team of experts, would work with the State to manage and service its transition, and beyond.

Elena Richmond, Vice-President
Relationship Management
NOVA Information Systems

Ms. Richmond possesses over ten years of experience in the Bankcard industry. During that time,



Ms. Richmond's primary focus has been in coordinating implementation efforts and servicing major client relationships. She specializes in implementing large and/or complex client relationships, in a very seamless and efficient manner.

Ms. Richmond and her seasoned team of experts would work closely with the State, in order to facilitate an effective transition, as well as provide ongoing support as needed. She would also oversee and assist in providing services to the State, related to day-to-day questions regarding funding, reporting, reconciliation, and other operational functions.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The Department of Treasury will oversee the statewide Contract. Eileen M. Bur is the Contract Compliance Inspector Her role is to oversee the Contract performance on a day-to-day basis during the term of the Contract (see section 2.401).

Brenda Vincent is the Manager of the Banking Services department that oversees the statewide card Contract. Her role is to provide guidance to the Credit Card Coordinator and assist the Contract Compliance Inspector.

Amy Kelso is the Credit Card Coordinator for the State. Amy's roles include working with departments to set up new merchant accounts, testing applications, training for department staff, analyzing volume and costs (i.e. interchange compliance for each department) and assisting department staff in resolving reconciliation, chargeback or any card related issues.

Dave Hendrix is the back up to the Credit Card Coordinator.

An organization chart is provided as Appendix 4.

1.203 OTHER ROLES AND RESPONSIBILITIES

Each Department assigns a Credit Card Project Director to oversee the departments card programs. The Credit Card Project Director is responsible for implementing, monitoring and managing the card program for the department. The Credit Card Project Director works with the State Credit Card Coordinator to set up new merchant locations, make changes to existing locations and to resolve card related issues.

The State Credit Card Coordinator is the liaison between the department and the Contractor to implement programs, analyze costs, initiate contract change requests and resolve problems. The Contractor cannot work directly with a department without authorization from Treasury.

Any requested changes to the Contract must be coordinated and approved by the Contract Compliance Inspector and a Change Notice must be issued by the Department of Management and Budget (see section 2.002).

For a State organization chart, go to http://www.michigan.gov/documents/ix_81359_7.pdf.

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

1. **Contract Conversion:** The Contractor will carry out this project under the direction and control of the Michigan Department of Treasury. Once approved by Treasury, the Contractor will work with each department to implement this Contract. The Contractor cannot work directly with a department without Contract Compliance Inspector or designee authorization (see sections 1.202 and 2.401).



Bidder Response to task:

We acknowledge/accept the terms set forth herein.

2. **Conversion Time:** Departments must be converted to the new Contract prior to the expiration of the current contract or 8 months from the award of the new Contract whichever is later. The current contract expires 9/30/05 and the expected conversion time is 8 months. The Contractor must provide an implementation schedule once an implementation date is agreed to. Please refer to Appendix 1, Estimated Annual Sales and Equipment Information, for current merchants and Appendix 8 for an estimated conversion schedule.

Bidder Response to task:

We acknowledge/accept the terms set forth herein. An implementation plan would be provided to the State upon award and/or once an implementation date is agreed to, as specified.

3. **Contract Compliance Inspector:** There will be continuous liaison with the Contract Compliance Inspector for the purpose of reviewing progress and providing necessary guidance in solving problems that arise. The Contractor will meet with the Contract Compliance Inspector on a quarterly basis or as needed (see section 2.401).

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

4. **Single Point Person:** The Contractor must provide a single point person to work with Treasury to assist with merchant related problems. Examples would include report problems, assistance with new merchant applications, reconciliation concerns, and training. Questions or concerns must be resolved within one business day (also see section 1.104.4).

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

5. **Merchant Implementation:** The Contractor must be able to implement new merchants during conversion. More complex merchant applications must be implemented by a negotiated date.

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

6. **Interchange Monitoring:** The Contractor must monitor each merchant account for interchange compliance daily for at least 30 days after conversion to ensure the State is qualifying for the best interchange rates.

Bidder Response to task:

We acknowledge/accept the terms set forth herein. We would proactively provide this service after conversion as stated, as well as on a continuous and regular basis.

7. **Technical Work Plan:** Provide a technical work plan for accomplishing the work. Indicate the number of person-hours allocated to each task. Identify the equipment and software that will be used to assure the highest technological standards in security and tools will be used. Demonstrate your ability to handle increased volume of transactions as applications are added by the State to the Contract.

Bidder Response to task:

The State's project team outline would consist of the following:

1. Relationship Management Team
 - a. Account Support Team
 - b. Conversion Specialist Team



- i. Boarding specialists
- ii. Training specialists
- iii. Merchant Service Representatives
- iv. Ongoing support team
- v. Continuous 24 hour, 7 day per week (including holidays) help desk

Rollout Schedule

- 1) Secure Merchant Processing Agreement (to be determined by the State)
- 2) Implementation Meeting (1 week to coordinate)
 - a) Preparation of timeline (3-4 days)
 - b) Preparation of Conversion files (1-2 weeks)
 - i) Locations/MID's
 - ii) Products/Services
 - iii) Bank deposits accounts
 - iv) Reporting levels/chains
- 3) Completion of Conversion files (1 week)
- 4) Final approval and document files (1 week)
- 5) File building and testing (1-2 weeks)
- 6) Account parameters coordinated with implementation and vendors (3-5 days)
- 7) VAR record, account and file build & NOVA test – TBD by VAR (1-2 weeks)
- 8) Confirm proper materials have been received; schedule installations (2-3 days)
- 9) Initial new merchant training. NOVA to contact each location, and schedules/conducts implementations and reprogrammings, performs training functions, reviews proper procedures and regulations and fraud prevention and test transactions, etc. (1-2 weeks)

1.302 REPORTS

Reports are needed for individual department use and also for Treasury's use as a central control department. As a central control department, Treasury requires access to all the State's merchant accounts.

1. **Monthly Merchant Statement:** Within each department monthly merchant statements are to be mailed or provided electronically to each merchant with a copy of the statement provided to a central location designated by the department. In addition, the central location must receive a summary statement of the account that includes all merchants within the department. Some departments require a summary statement by association number (i.e. Region or group of Merchants). Additional fields may be provided with consensus of the Contractor and Treasury. Monthly statements mentioned in this paragraph are provided free of charge as specified in the Contract. Bidder must provide sample with proposal.

Monthly statement must include, but is not limited to:

- Gross sales
- Gross refunds
- Net sales
- Average ticket, by card accepted
- Posting date
- Number of items
- Reference number
- Batch amount
- Summary of card fees.

See Appendix 1, Estimated Annual Sales and Equipment Information, for current number of merchants.



Bidder Response to task:

Daily reporting is available via the Internet through Merchant C.A.R.E., Merchant Connect, and/or via paper (mail) for the monthly merchant statement(s). Please refer to the attached exhibits for sample merchant statement information, as well as details regarding Merchant Connect and Merchant C.A.R.E. reporting tools.

The reporting systems would be able to integrate payment channels and payment types, as well as provide for multi-merchant capability, multiple settlement accounts, State-generated data, and multiple login profiles/credentials.

Using the reporting tools discussed, the State would be able to assign user access to anyone needing access. The State would also be able to determine which information is accessible to whom, for example by a designating access based on "levels" of information (i.e. hierarchy). The systems can also log account-holder/administrator activity.

Since the reporting tools (Merchant Connect and Merchant CARE) are electronic, there is no "sending" of reports but rather the report is accessed by the person at their convenience. This reporting is offered in addition to the monthly statements that are generated.

All reporting is available at the merchant location up to the headquarter location. The Merchant C.A.R.E. reporting tool offers up to 99 different "levels", which can gain access to information. This means that all levels can be "chained" and set up to view on certain data, all data "beneath" them in the hierarchy, and/or the State as a whole. The reporting systems would allow the State [to]:

- Access control functionality, preventing other account holders from seeing or accessing transaction information from other accounts.
- Access control functionality, allowing administrator accounts access to all transaction information (as specified by the State).
- Access control, allowing the State administrators to configure access privileges.

Historical information regarding sales, refunds, and chargebacks are maintained in a database for 365 days in arrears, and is accessible through our reporting tools. The Merchant C.A.R.E. reporting program is a "one-stop" merchant processing reporting system, which provides merchants with the support tools they need for effective merchant location management.

Being a Windows®-based software program, you will find Merchant C.A.R.E. to be a very user-friendly system. Icons represent all the main functions merchants will use on a daily basis, and easy-to-understand prompts and menus guide the user through the program.

Listed below is a sampling of some of the functions provided by Merchant C.A.R.E.:

- | | |
|---------------------------|--------------------------|
| • Daily Detail Report | • Merchant Statements |
| • Daily Exceptions Report | • Card Type Report |
| • Daily Summary Report | • Review Activity Report |
| • Chargeback Reports | • Custom Reporting |
| • Retrieval Requests | • Location Analysis |

The Merchant C.A.R.E. system provides multiple merchant reporting on a daily basis, with detailed transaction data by merchant. Individual merchant locations can be tagged according to



whatever group is designated. Ad hoc or customized reporting can also be designed to accomplish summary daily or monthly reporting with groupings as dictated by the merchant. Once data is downloaded to the merchant's Merchant C.A.R.E. system, the system automatically updates the transaction database and feeds the statistics database without manual intervention.

The State would have access to full reporting capabilities via the reporting tools previously mentioned. The State would be able to access reports from State wide/corporate level, an agency/department level, as well as individual location and merchant account levels.

NOVA's reporting systems can provide reporting on all electronic transaction activity, including credit card, debit/check card, electronic check items, and gift card/stored value card transactions, as well as deposits, fees, etc.

The Merchant C.A.R.E. reporting program is a web based reporting application, which offers merchants detailed reports of transaction and deposit history, as well as chargebacks, Interchange qualification, and copy request information. The security features include User ID, Alphanumeric password, Firewall Protection, and SSL 128bit Encryption.

As discussed, Citizens Bank/NOVA can also provide more customized, ad hoc type reporting upon request. We can work with the State to design and implement specific reporting tools based upon the State's specific reporting requirements, if desired.

Citizens Bank Merchant Payment Services/NOVA Information Systems has also developed an automated customer support web site that enables the merchant to review summary transaction activity. The service is called Merchant Connect, and is located on the Internet at www.merchantconnect.com.

The Merchant Connect site is designed to allow merchants to get immediate answers to their everyday operations questions. Through the site, the merchant has the ability to review their statements online and view deposit activity, as well as check on the status of chargebacks and retrievals. The merchant can also add products and services through the use of the web site. Please refer to the attached exhibit (Merchant Connect) for additional details.

2. **Monthly Interchange Summary Invoice:** Within each department an interchange summary invoice is to be mailed or provided electronically to each department with a copy provided to Treasury. Additional fields may be provided with consensus of the Contractor and Treasury. Monthly invoices mentioned in this paragraph are provided free of charge as specified in the Contract. Bidder must provide sample with proposal.

Interchange Summary Invoice must include, but is not limited to:

- Gross sales \$
- Gross refunds \$
- Gross sales #
- Gross refunds #
- Net sales \$
- Net sales \$



- Average ticket
- Summary of fees broken out by card type per department

See Appendix 1, Estimated Annual Sales and Equipment Information, for current number of merchants.

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

3. **Rolling 12-Month Processed Volume Report:** The Contractor must provide Treasury a monthly report showing the previous 12 months processed volume. This report is used by the Contractor to determine the tier for the transaction fee for the month. See Appendix 5 for an example of this report. The report mentioned in the paragraph is provided free of charge per the requirements of this Contract. Upon Contract implementation the Contractor will be provided the most recent 12-month rolling process volume report.

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

4. **Daily Summary Report:** One daily summary report per department must be made available electronically no later than the next business day. Summary reports must contain subtotals by merchants and/or associations (i.e. Region or group of Merchants). On reports by association, report must also contain subtotals for merchant batches included in each association on and an overall department total. Summary reports mentioned in this paragraph are provided free of charge as specified in the Contract

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

5. **Merchant Activity Report:** The Contractor must provide Treasury (at least monthly) an electronic file (preferably Microsoft Excel or Access format) that contains processed transaction volumes by merchant account number for all State of Michigan merchants. Data must include, but is not limited to, association #, merchant name, merchant #, gross sales (dollars), gross credits (dollars), gross sales (items), gross credits (items), and other data as needed. Report mentioned in this paragraph is provided free of charge as specified in the Contract.

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

6. **Chargeback Detail Report:** The Contractor must provide Treasury (at least monthly) an electronic file (preferably Microsoft Excel or Access format) that contains chargeback detail by merchant account number for all State of Michigan merchants. Data must include, merchant name, association #, merchant #, chargeback date, chargeback case number (or other identifier), truncated card number, card type, chargeback amount and chargeback reason code. Chargeback detail report mentioned in this paragraph is provided free of charge as specified in the Contract.

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

7. **Central Department Reporting:** As a central department, Treasury will need access to all reports available to each department. Treasury's access should not affect reporting provided to departments (e.g. if department requests paper reports and Treasury requests on-line reports, department should have ability to receive paper reports). Treasury requires access to activity processed for all State merchant accounts. Reports mentioned in this paragraph are provided free of charge as specified in the Contract. (See section 1.202 and Appendix 4 for Treasury staff).

Bidder Response to task:

We acknowledge/accept the terms set forth herein.



8. **Interchange Qualification Reporting:** As a central department, Treasury will need access to reporting (electronic) that provides the interchange qualification assigned to each transaction. Report mentioned in this paragraph is provided free of charge as specified in the Contract.

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

9. **Remittance Processor File:** The Department of State has a merchant application that currently processes transactions through a remittance processor. The remittance processor scans credit card information from a specialized form that is mailed/faxed by the customer and creates an electronic file that is transmitted in a batch to the card processor. The current contractor processes batch authorizations, settles the transactions and returns an electronic file back to a department. It is the department's responsibility to resolve any exception transactions (e.g. declined, pick up card, etc.) The file that is received provides the full (untruncated credit card number) account number. This merchant uses a dedicated leased line to send and receive files to the batch authorization system. The Contractor must support this process (see section 1.104.6.3). The file mentioned in this paragraph is provided free of charge as specified in the Contract.

Appendix 6 shows the specifications for the file layout.

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

10. **Terminal Report:** The Contractor must provide Treasury (at least annually) a report showing the terminals purchased for the reporting period. Reports must include, but are not limited to, Department name, merchant #, terminal and model, number of terminals purchased, date purchased and dollar amount. The report mentioned in this paragraph is provided free of charge as specified in the Contract.

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

11. **Additional Contractor Reports** – The Contractor may provide additional reports (at no cost to the State) not listed that may be helpful to merchants and/or central departments. Please provide details and samples of suggested reports.

Bidder Response to task:

We acknowledge/accept the terms set forth herein. Please see attached exhibits regarding reporting for details.

12. **Daily Detail Reports:** One daily detail report per department must be made available electronically no later than the next business day. Bidder must provide report sample and cost of report with proposal.

Daily reports must contain:

- Each transaction within the batch
- Transaction detail must include the amount, account number (truncated), transaction code, authorization code,
- Subtotal by Merchant Number, or association number (E.g. such as by Region or group of Merchants).
- Error messages
- Summary of total funds sent, received, and rejected.

Bidder Response to task:

We acknowledge/accept the terms set forth herein. These reports would be provided at no charge.

13. **Electronic Data:** Data must be available electronically and compatible with Microsoft Excel or Access which would allow departments to manipulate and analyze data as needed (account numbers must be truncated). Currently, the State uses Visanet's Clearview product (Department of Natural



Resources only). Department and Contractor will define delivery method in compliance with Contractor's and State's security procedures/policies. Delivery can be completed by an agreed upon "secure" method. Bidder must provide sample of format and cost with proposal.

Bidder Response to task:

We acknowledge/accept the terms set forth herein. These reports would be provided at no charge.

1.4 Project Management

1.401 ISSUE MANAGEMENT

Issues are those things that endanger the project. It includes imminent threats and events that may have already occurred. Identify how issues will be captured, reported and escalated. Define the issue escalation process to include whether escalation will be based on age, severity, budget impact, etc. and where the escalation levels are.

Bidder Response to task:

In the event of a security breach involving a NOVA system, our responsibility would be to respond to the incident, contain it, evaluate the impact and notify the parties involved. Incidences can be assessed by their corresponding level of severity or impact. Meaning that the more serious the potential incident (i.e. an incident involving the compromise of merchant or cardholder data) require that we notify all of the parties involved, including merchants, cardholders (through the issuers), any other processors that were involved, the Associations (Visa and Master Card). We would also need to notify the U.S. Department of the Treasury's Office of the Comptroller of the Currency, since they have regulatory oversight for our operations. Lower severity alerts may require no notification, such as virus attacks, or other attacks where no information is compromised.

NOVA has never experienced an intrusion of this severity, during which cardholder and/or merchant information was compromised as the result of an attack on a NOVA system.

In the event of an attack, our policy is to notify the issuers that card information was compromised, and they notify the cardholders. Cardholders are not liable in these cases, and currently the associations hold the processor (NOVA) responsible for any breaches, even if it involves a vendor, and were not a breach of a NOVA internal system.

We are unable to include at this time specific procedures for our incident response tactics, since that would expose internal sensitive information directly related to incident response measures that would be taken. However, we have formal procedures in place in this regard, and we test them regularly. We could possibly provide additional documentation to the State in this regard, if desired.

NOVA's response to system malfunctions, security breaches, problems with the network hardware/software are immediate, and resolution and communication is dependent upon the level of specifically affected customers.

Localized individual merchant location issues are typically solved directly with the location personnel. Agency level issues would encompass merchant service representatives, as well as relationship management and support teams in conjunction with State agency level contacts. State wide issues would encompass merchant service representatives, relationship management and



support teams, and senior management in conjunction with the State.

1.402 RISK MANAGEMENT

Risks and issues are not the same. Risks are those things that can be assumed or anticipated in a project. Issues are imminent threats or things that have already occurred. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy. Risk assessment review should be conducted on a regular basis. Please describe bidder's risk management process.

Bidder Response to task:

Risk management is conducted on an ongoing and continuous basis.

NOVA completes internal and ongoing quality improvement programs. On an annual basis, we utilize an outside research company to conduct a survey among a random sampling of our merchants. Some of the measurements include:

- System reliability and risk assessment
- Overall Customer Satisfaction
- Recommend NOVA to another merchant
- Processing speed
- Ease of use (products and services)

The relationship management and support teams would also be responsible for ongoing project/performance monitoring and any problem resolution.

1.403 CHANGE MANAGEMENT

If requested changes are outside the scope of this Contract, a Contract Change Request will need to be initiated by the Contract Compliance Inspector and submitted to Treasury Purchasing. Treasury and Department of Management approvals are required before the change in specifications commences (also see section 2.002).

Bidder Response to task:

We acknowledge/accept the terms set forth herein.

1.5 Acceptance

1.501 CRITERIA

The following criteria will be used by the State to determine Acceptance of the Services and/or Deliverables provided under this SOW.

1. Testing is completed per section 1.104.1.13 and merchants converted per the Estimated Conversion Schedule (Appendix 8)..

Bidder Response to task:

We acknowledge/accept the terms set forth herein.



1.502 FINAL ACCEPTANCE

Final Acceptance is when testing is completed and accepted by the State per section 1.501, and all requirements of Contract are met.

1.6 Compensation and Payment

1. Price Proposal

1. Rates for Merchant Fees.

Treasury is referring to this Contract as an Interchange Plus contract and is requesting that Price Proposals be submitted using an Interchange Plus Pricing method. Interchange rates are pass through fees to the State and may change when modified by Visa or MasterCard. Treasury recognizes the authority of the Contractor to pass those increases or decreases along to each department within the Contract. **The “Plus” price of the bid (or the Contractor’s charges – e.g. authorization rates and transaction fees) will remain firm for the length of the Contract. Treasury will review transaction volume as processed volume increases. (See Price Proposal in Appendix 3).**

Generally, interchange fee changes occur in April once a year. Such changes shall be based on general industry changes and supported by adequate detail to document same. Revisions may be either increases or decreases. Requests for price changes shall be received in writing at least 30 days prior to their effective date, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the Contract may be canceled.

The State expects to receive CPS Retail 2 (Emerging Market) for Visa and Emerging Market for MasterCard for the majority of the transactions processed.

The Contractor must provide the current Visa/MasterCard Interchange and Assessment rate schedule with proposal.

2. Pricing Proposal Component (Contractor’s Charges)

The pricing table in Appendix 3 will be used as the competitive bid. Prices quoted in this section will remain firm for the length of the Contract. Communication fee, if any, and transaction fees must be shown as flat rates, not percentages.

Transaction Fee pricing: The State expects volume discounts in the Transaction Fee pricing based on a monthly review of the previous 12 months transaction volume processed. The first 8 months of the Contract will be based on the previous 12 months transactions fee category. Upon award the Contractor will be provided the most recent 12 rolling month processed volume report. From that point on the Contractor will provide the Department of Treasury a monthly report with the previous twelve months and the associated transaction fees.

3. Equipment

Treasury recognizes that equipment such as authorization software and electronic card terminals may be purchased from the Contractor. Treasury expects that departments needing this equipment will be able to purchase the equipment at the Contractor’s cost. For information purposes only, please include a pricing list of equipment and software offered.

**4. Reporting Fees**

Fees for reports and additional services will be negotiated on an as needed basis between the Contractor and the department. Treasury would expect that fees charged would be in line with other industry providers. Please refer to section 1.302 (Reports) for a complete listing of reports necessary. As all departments may not choose to receive these reports, the daily detail reports and electronic data (i.e. Clearview) will be paid by the department.

Please provide a price list for the daily detail and electronic data (e.g Clearview) reports. In addition, include pricing of the same report available via hard-copy or electronic-copy. This fee should be either a flat fee per month or an access fee.

1.7 RESERVED



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contract is for processing credit and debit cards for the State of Michigan. Orders will be issued directly to the Contractor by various State Agencies via procurement card or purchase order for one time costs and fees (these may include equipment and software per section 1.104.2.6.b). Bids are due and will be publicly identified at the time noted on the Invitation To Bid (ITB) Form.

Contractor's Terms of Service ("TOS"), PIN-Based, Online Debit Card Addendum to the Terms of Service ("Debit Addendum"), and Electronic Check Service Addendum to the Terms of Service ("ECS Addendum") are attached hereto as Appendix 1, and the terms of the TOS, Debit Addendum and ECS Addendum are expressly incorporated herein.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Department of Treasury, hereinafter known as Department of Treasury. Where actions are a combination of those of Acquisition Services and the State agencies, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the commodities and/or services described herein. Acquisition Services is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Acquisition Services will remain the SOLE POINT OF CONTACT throughout the procurement process.

Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the contract from any individual or office other than Acquisition Services and the listed contract administrator

All communications covering this procurement must be addressed to contract administrator indicated below:

Department of Management and Budget
Acquisition Services
Attn: Doug Collier
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 335-4804
collierd1@michigan.gov

2.003 NOTICE

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

2.004 CONTRACT TERM

The term of this Contract will be for three (3) years plus 8 months and will commence with the issuance of a Contract. This will be approximately February 15, 2005 through September 30, 2008.

Option. The State reserves the right to exercise two one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the Contractor's ability to deliver



on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.

Extension. At the sole option of the State, the Contract may also be extended. Contractor performance, quality of products, price, cost savings, and the Contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.

2.005 GOVERNING LAW

The Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, vendor consents to personal jurisdiction in the state of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

2.006 APPLICABLE STATUTES

The following statutes, rules, and laws may be applicable to the performance of this Contract; some statutes are reflected in the clauses of this Contract. This list is NOT exhaustive.

MI OSHA MCL §§ 408.1001 – 408.1094
 Freedom of Information Act (FIOA) Public Act 442 of 1976
 Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.
 MI Consumer Protection Act MCL §§ 445.901 – 445.922
 Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.
 Department of Civil Service Rules and regulations
 Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.
 Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.
 MCL §§ 423.321, et seq.
 MCL § 18.1264 (law regarding debarment)
 Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.
 Contract Work Hours and Safety Standards Act (CWHSA) 40 USCS § 327, et seq.
 Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795
 Rules and regulations of the Environmental Protection Agency
 Internal Revenue Code
 Rules and regulations of the Equal Employment Opportunity Commission (EEOC)
 The Civil Rights Act of 1964, USCS Chapter 42
 Title VII, 42 USCS §§ 2000e et seq.
 The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.
 The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.
 The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.
 The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.
 The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.
 Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106
 Sherman Act, 15 U.S.C.S. § 1 et seq.
 Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.
 Clayton Act, 15 U.S.C.S. § 14 et seq.

2.007 RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

**2.008 HEADINGS**

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

2.009 MERGER

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

2.010 SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

2.011 SURVIVORSHIP

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of the Contract for any reason.

2.012 NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term or any other term of the Contract.

2.013 PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

2.1 Vendor/Contractor Obligations**2.101 ACCOUNTING RECORDS**

The Contractor and all subcontractors shall maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three years from expiration date and final payment on the Contract or extension thereof.

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Acquisition Services within 30 days.

2. The Contractor shall also notify the Acquisition Services within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.



The Contractor shall:

1. Maintain current, accurate, and complete inventory records of assets and their costs;
2. Provide Acquisition Services or designated representative ready access to the records upon request;
3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and
4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

2.103 SOFTWARE COMPLIANCE

The vendor warrants that all software for which the vendor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure year 2000 compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.104 IT STANDARDS

Reserved.

2.105 LIABILITY INSURANCE

A. Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have ratings generally acceptable by industry standards.



Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before both parties sign the Contract, the Contractor must furnish to the Director of Acquisition Services, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked **below**:

1. Commercial General Liability with the following minimum coverage:

\$2,000,000	General Aggregate Limit other than Products/Completed Operations
\$2,000,000	Products/Completed Operations Aggregate Limit
\$1,000,000	Personal & Advertising Injury Limit
\$1,000,000	Each Occurrence Limit
\$100,000	Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance policy. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

4. Employers liability insurance with the following minimum limits:

\$100,000	each accident
\$100,000	each employee by disease
\$500,000	aggregate disease



5. Employee Fidelity, including Computer Crimes, insurance providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00).
6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

B. Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

C. Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Acquisition Services certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds, but only to the extent of liabilities assumed by Contractor as set forth in Indemnification Section of this Contract, under each commercial general liability and commercial automobile liability policy.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces below the stated minimums any required insurance as specified in this Contract without the State's written consent, then the State may, after giving Contractor at least thirty (30) days written notice and an opportunity to cure, cancel the Contract.

2.106 PREVAILING WAGE Reserved

2.107 PAYROLL AND BASIC RECORDS

Payrolls and basic records relating to the performance of this contract shall be maintained by the Contractor during the course of the work and preserved for a period of 3 years thereafter for all laborers and mechanics



working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid.

Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

The Contractor shall submit a copy of all payrolls to the Contract Administrator upon request. The payrolls submitted shall set out accurately and completely all of the information required to be maintained as indicated above.

The Prime Contractor is responsible for the submission of copies of payrolls by all subcontractors upon request from the Contract Administrator

The Contractor or subcontractor shall permit the Contract Administrator or representatives of the Contract Administrator or the State of Michigan to interview employees during working hours on the job.

If the Contractor or subcontractor fails to submit required records or to make them available, the Contract Administrator may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment.

2.108 COMPETITION IN SUB-CONTRACTING

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

2.109 CALL CENTER DISCLOSURE

Vendor and/or all subcontractors involved in the performance of this contract providing call or contact center services to the State of Michigan must disclose, when requested, the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this agreement.

2.2 Contract Performance

2.201 TIME IS OF THE ESSENCE

Contractor/Vendor is on notice that time is of the essence in the performance of this contract. Late performance will be considered a material breach of this contract, giving the State a right to invoke all remedies available to it under this contract.

2.202 CONTRACT PAYMENT SCHEDULE

Reserved.

2.203 POSSIBLE PROGRESS PAYMENTS

The Government may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.204 RESERVED

2.205 ELECTRONIC PAYMENT AVAILABILITY

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.



2.206 PERFORMANCE OF WORK BY CONTRACTOR

Reserved.

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of the Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of the Contract.

2.302 CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractors and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change.

Contractor currently uses one subcontractor, Moore Business Products, to deliver supplies to its customers.

2.303 ASSIGNMENT AND DELEGATION

See Section B(17)(d) of the TOS, attached hereto as Appendix 1.

The Contractor shall not delegate any duties or obligations under the Contract to a subcontractor other than a subcontractor named and approved in the bid unless the Director of Acquisition Services has given written consent to the delegation.

Bidder must obtain the approval of the Director of Acquisition Services before using a place of performance that is different from the address that bidder provided in the bid.

2.304 TAXES

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for vendor viewing upon request to the Contract Administrator.



2.305 INDEMNIFICATION

General Indemnification

To the fullest extent permitted by law, and subject to the limitation of liability set forth in Section B(8)(c) of the TOS, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors (excluding subcontractors hired by the State, such as Vital) under this Contract.;
2. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in Section 2.505 or Sections 1.102 through 1.501 of the Contract, as modified by the Clarifications contained in Appendix 2, the TOS, Debit Addendum or ECS Addendum, or otherwise modified herein;
3. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or real or tangible property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from the act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole option and expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the



State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Indemnification Obligation With Respect to Employees

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in sub clauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other sub clause.

Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect not withstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, such action being at the State's expense if the claim is not determined to be one against which Contractor was required to indemnify the State.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General.



In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.306 LIMITATION OF LIABILITY

The Contractor's liability for damages to the State shall be limited as set forth in Section B(8)(c) of the TOS, attached hereto in Appendix 1.

The State's liability for damages to the Contractor, excluding liability for fees, fines or penalties imposed by the Payment Networks, shall be limited to the value set forth in Section B(8)(c) of the TOS.

2.307 CONTRACT DISTRIBUTION

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Acquisition Services.

2.308 FORM, FUNCTION, AND UTILITY

If the Contract is for use of more than one State agency and if the good or service provided under this Contract do not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the bidder hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

2.310 RESERVED

2.311 TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to six (6) months after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance or, if not provided for in the Contract, then at Contractor's then prevailing rates.

2.312 WORK PRODUCT

Any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the



Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools.

The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State.

2.313 RESERVED

2.314 WEBSITE INCORPORATION

State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State

2.4 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies **no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Acquisition Services.** The Contract Compliance Inspector for this project is:

Eileen M. Bur
Department of Treasury,
Receipts Processing Division
7285 Parsons Drive
Dimondale, MI 48821
Phone: (517) 636-5400
E-mail: BurE@michigan.gov.

2.402 PERFORMANCE REVIEWS

Acquisition Services in conjunction with the Department of Treasury may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.

Upon a finding of poor performance, which has been documented in writing by Acquisition Services, the Contractor shall be given an opportunity to respond and take corrective action, which period shall include, at a minimum, thirty (30) days. If corrective action is not taken in a reasonable amount of time as determined by Acquisition Services, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

(a) Inspection of Work Performed. The State's authorized representatives shall at all reasonable times



and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and during business hours, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not interfere or jeopardize the safety or operation of the systems or facilities and do not violate any Payment Network Regulations. Contractor must provide all reasonable facilities and assistance for the State's representatives, so long as no security, labor relations policies and propriety information policies are violated.

- (b) Examination of Records. No more than once per year, Contractor agrees that the State at its own cost and expense, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the terms and conditions of the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor or confidential under the Payment Network Regulations to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.
- (c) Retention of Records. Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.
- (d) Audit Resolution. If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report. The Contractor and the State shall develop and agree upon an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.
 - 1. Errors. If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.
 - 2. In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than fifteen (15%), then the Contractor shall pay all of the reasonable costs of the audit.

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Acquisition Services has approved a change.

**2.502 RESERVED****2.503 RESERVED****2.504 GENERAL WARRANTIES (goods)**

Warranty of Merchantability – Goods provided by vendor under this agreement shall be merchantable. All goods provided under this contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the vendor or on the container or label.

Warranty of fitness for a particular purpose – When vendor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the vendor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

Warranty of title – Vendor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by vendor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by vendor, under this agreement, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.505 CONTRACTOR WARRANTIES

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.
9. The contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. The Contractor is the lawful owner or licensee of any Deliverable licensed or sold to the state by Contractor or developed by Contractor under this contract, and Contractor has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.



11. If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

12. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.

13. The Contractor is qualified and registered to transact business in all locations where required.

14. Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.

15. All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

All warranties given by Contractor relate solely to the services or goods provided by Contractor, and do not apply to any Value Added Services or goods provided by a third party vendor hired by the State, such as Vital.

2.506 STAFF

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State. NOVA intends to assign the following Key Personnel for the job duties and time periods set forth below:

- Ben Light – first ninety (90) days following execution of the Contract; for initial set-up and boarding of the account
- Chris Moore – to replace Ben Light after ninety (90) days following execution of the Contract; will serve as primary point of contact for operational issues during implementation
- Richard Hutcherson – escalation contact during implementation
- Lynn Dederich – pricing and contract negotiations
- Bobby Lawson – pricing and contract negotiations

NOVA reserves the right to replace any Key Personnel with person(s) of equal experience at any time.

To the extent this section conflicts with Appendix 2, the terms of this section shall apply.

2.507 SOFTWARE WARRANTIES

All warranties given by Contractor with respect to Software relate solely to the Software owned and provided by Contractor, and does not apply to any Software or Value Added Services provided by a third party vendor hired by the State, such as Vital.

- (a) Performance Warranty



The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of ninety (90) days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

(b) No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any time bomb, drop dead device or other software routine designed to disable a computer program automatically with the passage of time. Self-Help Code does not include Software routines in a computer or terminal program, if any, designed to permit an owner of the program (or other person acting by authority of the owner) to obtain access to a licensee's computer or terminal system(s) (e.g. remote access) for purposes of maintenance or technical support, and it does not include owner's ability to disable the computer or terminal from sending transaction information to Contractor. As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

(c) Calendar Warranty

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan. The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.508 EQUIPMENT WARRANTY

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain such equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance in accordance with the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) shall be in good operating condition and shall operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of one (1) year commencing upon the first day following Final Acceptance, not to exceed the term of this Contract.

Within one business day of notification from the State, the Contractor shall use its best efforts to adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The



Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor shall provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract shall be performed by original equipment manufacturer (OEM) trained, certified and authorized technicians.

The Contractor shall act as the sole point of contact for warranty service. The Contractor warrants that it shall pass through to the State any and all warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

2.509 PHYSICAL MEDIA WARRANTY

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than thirty (30) days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to and limited to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.6 Breach of Contract

2.601 BREACH DEFINED

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement after notice and a right to cure.

In addition to any remedies available in law and by the terms of this contract, if the Contractor breaches Sections 2.508 or 2.509, such a breach may be considered as a default in the performance of a material obligation of this contract.

2.602 NOTICE AND THE RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a reasonable time period (no less than thirty (30) days) to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to



whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.7 Remedies

2.701 CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract as a whole is canceled by the State for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for the State's attorney's fees and costs incurred in canceling the Contract. In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 90 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.



3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.

4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.

5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

The Contractor may terminate this Contract pursuant to Section B(14)(b) of the TOS.

2.702 RIGHTS UPON CANCELLATION

A. Rights and Obligations Upon Termination

- (1) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other State-owned property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, upon receipt of payment in full for the same unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

- (2) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services and goods provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for partially completed Deliverables, on a percentage of completion basis. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.



- (3) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Services under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

B. Termination Assistance

If the Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to six (6) months after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of the Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. The State shall pay the Contractor for any resources utilized in performing such termination assistance at the most current rates provided by the Contract for Contract performance or, if not provided for in the Contract, then at Contractor's then prevailing rates. If the Contract is terminated by Contractor under Section B(14)((b)(ii) of the TOS, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under the Contract.

C. Reservation of Rights

Any termination of the Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

D. End of Contract Transition

In the event the Contract is terminated, for convenience or cause, or upon expiration, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of the Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed six (6) months. These efforts shall include, but are not limited to, the following:

- (1) **Personnel** - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors.
- (2) **Knowledgeable Personnel**. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (4) **Payment** - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (5) **Single Point of Contact**. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

**E. Transition out of this Contract**

- (1) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Reasonably cooperating with any contractors, vendors, or other entities with whom the State contracts to meet its credit card processing needs, for at least six (6) months after the termination of this Contract;
 - (ii) Reconciling all accounts between the State and the Contractor;
 - (iii) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
 - (iv) Notifying all of the Contractor's subcontractors of procedures to be followed during the transition out phase;
 - (v) Assisting in the execution of a parallel operation until the effective date of termination of this Contract
 - (vi) Answering questions regarding post-migration services;
 - (vii) Delivering to the State any remaining owed reports and documentation still in the Contractor's possession.

- (2) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Reconciling all accounts between the State and the Contractor;
 - (ii) Completing any pending post-project reviews;
 - (iii) Timely paying all amounts owed to Contractor

2.703 RESERVED**2.704 STOP WORK**

Reserved.

2.705 SUSPENSION OF WORK

Reserved.

2.8 Changes, Modifications, and Amendments**2.801 APPROVALS**

The Contract may not be modified, amended, extended, or augmented except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

2.802 TIME EXTENSIONS

Reserved.

2.803 MODIFICATION

Acquisition Services reserves the right to modify this contract in writing at any time during the contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed



necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.

The State reserves the right to add an item(s) that is not described on the item listing and is available from the Contract vendor. The item(s) may be included on the Contract, only if prior written approval has been granted by Acquisition Services.

2.804 AUDIT AND RECORDS UPON MODIFICATION

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this contract to the Contract Administrator in Acquisition Services. Data may include accounting records, payroll records, employee time sheets, and other information the state deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the state shall have the right to examine and audit all of the contractor's records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above, subject to the Payment Network Regulations.

If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

2.805 CHANGES

Reserved.



APPENDIX 1

TERMS OF SERVICE

PIN-BASED, ONLINE DEBIT CARD ADDENDUM TO TERMS OF SERVICE

ELECTRONIC CHECK SERVICE ADDENDUM TO TERMS OF SERVICE



Appendix 2

2. Clarifications

Clarification was requested from Nova as follows:

- a. The State accidentally omitted costs to process debit cards. Please provide the costs to process debit costs in the attached Price Proposal for Debit Card Rates.

Price Proposal for Debit Card Rates				
Table 1 - Debit Cards (Pin Based)				
Transaction Fees	Range of Transactions	Unit Rate	X Estimated Annual Volume	Total Estimated Cost
Debit Cards	0 - 50,000	\$0.08	50,000	\$4,000.00
	50,001 - 100,000	\$0.08	100,000	\$8,000.00
	100,001 - 150,000	\$0.075	150,000	\$11,250.00
	150,001 - 200,000	\$0.0725	200,000	\$14,500.00
	200,000 - 250,000	\$0.070	250,000	\$17,500.00
Total Volume and cost for all ranges.		\$0.3775	500,000	\$55,250.00
- Pricing reflects merchant provider/bank fees to the State; this pricing does not include pass through interchange rates/fees that would be applied				

- b. Where in the proposal did Citizens Bank/Nova state sales only merchants can be designated (section 1.104.1.8)?

Citizens Bank/Nova Response

We can designate specific merchant accounts to process refunds and sales per the State’s requirements. At the terminal/State level, we can designate sales only merchants. In other words, we can provide the State [staff] a means and training by which to process sales only, as well as provide merchant accounts specifically designated to process refunds via a central location(s).

- c. The first page of the proposal states Citizens Bank/Nova can meet and exceed all requirements, although the average call length is 11.2 seconds per proposal. Will IP with SSL encryption, leased line and frame relay authorization be returned in 5 seconds or less as required in the RFP (section 1.104.1.12)?

Citizens Bank/Nova Response

Per the proposal, our average call length statistics reflect 11.2 seconds for dial-up terminal applications. Our average response time for IP, leased line, and frame relay authorizations is 1-2 seconds. Maximum call length for IP, leased line, and frame relay authorizations is generally 2 seconds.

- d. It appears chargebacks will be assessed before receiving department approval. Will approval be received before assessing chargeback and allowing at least 10 business days to review chargeback (section 1.104.1.16)?

Citizens Bank/Nova Response

Per our chargeback procedures, we would notify the State of chargebacks as they occur, and prior to chargebacks being assessed. The State would then have 21 days to respond accordingly. We would also provide “reminder” notifications following the initial notification, and we would assist in this and in other ways during the process (as outlined within our original response to the RFP). We can accommodate the chargeback guidelines posed within this question. In other words, we can notify the State and obtain approval from the State during the chargeback process.



e. Provide a 7-day funds availability schedule (section 1.104.2.2).

Citizens Bank/Nova Response

Transactions Received by 2:00AM EST	Day Funded (with Citizens Bank deposit account)
Monday	Tuesday
Tuesday	Wednesday
Wednesday	Thursday
Thursday	Friday
Friday	Saturday
Saturday	Monday
Sunday	Monday

VISA/MasterCard/Discover transactions processed and received by NOVA would be settled and deposited by next business day. For example, transactions received at 7:00PM EST on Tuesday would deposit to the State's Citizens Bank deposit account on Wednesday. The standard cutoff time for transactions to be received is generally 2:00AM EST. For example, if transactions were received at 12:30AM EST on Monday morning, the transactions would actually post to the State's Citizens Bank deposit account that same day (Monday). We would be glad to work with the State, if the State preferred to designate its own specific cutoff time for transactions to "auto close" for settlement/deposit. Also, the State can deposit funds to the bank of its choosing. However, funds may take slightly longer to post if they are deposited to a non Citizens deposit account. Faster funding would be one of the benefits provided as a result of Citizens Bank being the sponsor bank. Please refer to the funding letter below (inserted on October 13, 2005 per discussions between Doug Collier, Dawn Carroll, and Lynn Dederich), which provides further clarification with regard to funding timeframes via the Vital network.



NOVA NETWORK
The most reliable payment processing network in the industry (revised on October 13th)

Eileen M. Bur
 Michigan Department of Treasury
 Receipts Processing Division
 Lansing, MI 48922

Via email bure@michigan.gov

Dear Ms. Bur:

The below is an outline of cut times for ACH funding with NOVA Information Systems and Citizens Bank through Vital for Visa and MasterCard transactions.

All Times Eastern Standard Time

- Vital cut 1:00 am will go in 1:00 pm ACH to Fed
- Vital cut 5:00 am will go in 1:00 pm ACH to Fed
- Vital cut 6:00 pm will go in 10:30 pm ACH to Fed
- Vital cut 9:00 pm will go in 10:30 pm ACH to Fed
- Vital cut 11:00 pm will go in following day 1:00 pm ACH to Fed

To summarize the above, if batches are settled each day prior to 9:00 pm, funds will be memo posted to Citizens Bank no later than 7:00 am as current day available funds. If other depository banks are utilized, the funds availability will be determined by and dependent upon the respective financial institution.



Please let us know if you need additional information concerning funding timeframes. We look forward to working with you as we move forward.

Sincerely,

Dawn Carroll
 Vice President
 Portfolio Management

CC: Via email Amy Kelso kelsoa@michigan.gov
 Lynn Dederich lynn.dederich@novainfo.com

- f. Relationship management and support teams are generally available 7:30 a.m. to 5:30 p.m. CST. Will relationship management and support teams be available 8:00 a.m. to 5:00 p.m. ET (section 1.104.4)?

Citizens Bank/Nova Response

Yes. Additional support would also be available 24 hours per day/7 days per week (including holidays) via our Customer Support Department.

- g. Account numbers were not truncated on reports per exhibit. Will account numbers be truncated on all communications including reports as required in the RFP (section 1.104.6.2)?

Citizens Bank/Nova Response

Yes. All reporting provided by Citizens Bank/NOVA would comply with truncation requirements.

- h. Provide documentation for procedure to destroy confidential information (section 1.104.6.4).

Citizens Bank/Nova Response

Our company, as well as our banking partners, take this subject very seriously. We are committed to the privacy and security of confidential information. We have developed and implemented procedures accordingly. Please refer to the presentation provided (under separate email/cover), which provides an overview of our procedures. In particular, please refer to the section titled 'Your Responsibilities'. This is a training document for our personnel, and is also used to provide our clients with information pertaining to this subject.

- i. What is Citizens Bank's role in contract/proposal (i.e. Gregory Viener and Richard Ranville. Section 1.201)?

Citizens Bank/Nova Response

Citizens Bank would be the sponsor bank. Merchant deposits can be deposited to the State's deposit account of its choosing. A deposit account at Citizens Bank is encouraged, but is not required.

- j. What will be the cost for 2 dedicated leased lines (Appendix 3, Table 6: Price Proposal and section 1.104.1.5)?

Citizens Bank/Nova Response

The cost of the leased lines is included within our overall pricing. In other words, we would not charge any separate charges for the two dedicated leased lines. Similarly, our pricing is inclusive of most other processing fees. This means that we would not charge any additional or separate fees for authorizations, transaction fees, batch fees, monthly statement fees, reporting fees, etc. We feel this approach allows us to provide "all inclusive, more straightforward pricing, meaning that there are no "hidden" fees.

- k. Confirm the Price Proposal for Citizens Bank/Nova as follows:

Table / Component	Volume	Citizens Bank Estimated Cost (Based on basis pts. after interchange)
Table 1 - Authorization Rates (All Cards for 3	8,600,290	\$ 7,245.00

TERMS AND CONDITIONS

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yrs. & 8 mos.)		* \$0.00
Table 2 - Trans. Fees - Visa/MasterCard-Implementation (3 years and 8 mos.)	1,000,000	\$ 467,908.00 ** \$0.00
Table 3 - Trans. Fees - Discover/Am Ex - Implementation (8 mos.)	50,000	\$ 2,500.00
Table 3 - Transaction Fees - Discover/Am Ex - Year 1	100,000	\$ 5,000.00
Table 3 - Transaction Fees - Discover/Am Ex - Year 2	200,000	\$ 10,000.00
Table 3 - Transaction Fees - Discover/Am Ex - Year 3	300,000	\$ 15,000.00
Table 4 - Equipment/Software (3 yrs. & 8 mos.)	1,475	\$ 216,625.00 *** \$190,000
Table 5 - Reports (3 yrs. & 8 mos.)	9,245	\$ -
Table 6 - Leased lines/Communications (3 yrs. & 8 mos.)	88	\$ -
Total Estimated Contract Value (Excludes Interchange Rates)		\$ 724,278.00 \$222,500.00

Citizens Bank/Nova Response

* We would not charge any additional authorization fees above and beyond Interchange [authorization fees], unless there were some sort of unique circumstances. For example, transactions requiring additional attention such as voice authorizations may cost more to process. However, these generally occur rarely, and would be considered exception items. Online debit transactions would be another example. Online debit transactions occur when a cardholder enters his/her PIN when initiating a transaction at the point of sale. Online debit transactions are assessed at a flat 'per item' fee, as opposed to a percentage based rate/fee. This can be of particular benefit in relation to higher ticket items. For instance, the RFP data indicated that the State's average ticket size is approximately \$68.00. Given that, the debit charge could be a \$0.35 flat fee, rather than \$1.07 ($\$68.00 \times 1.51\% = \$1.02 + \$0.05 = \1.07).

** We would not charge any additional transaction fees above and beyond Interchange [authorization fees], unless there were some sort of unique circumstances (as described above).

*** Additional equipment/software may not be required. The State may certainly acquire equipment/software from us, however, we can likely work with the State's existing equipment/software applications, upon verification of relevant application specifications. If that were the case, we would not charge any set-up and/or re-programming fees. Also, software and imprinters are not necessarily required. Generally, you would have your choice of software or equipment. You would not need both. Therefore, we are removing these [software and imprinters] costs from the figure provided above ($\$12,000.00 + \$1,425.00 + \$13,200.00 = \$26,625.00$).

- I. In Citizens Bank's/Nova's Pricing Proposal, 8 basis points plus interchange is referenced for transaction fees; however, the Schedule of Fees- State of Michigan attachment to the Pricing Proposal references the cost as interchange plus approximately 0.08% and the Interchange Rate Description is Interchange plus 0.09%. Is the cost 8 or 9 basis points?


Citizens Bank/Nova Response

The cost is 8 basis points. Our pricing is inclusive of most other processing fees. This means that we would not charge any additional or separate fees for authorizations, transaction fees, batch fees, monthly statement fees, two dedicated leased lines, reporting fees, etc.

- m. When does Citizens Bank/Nova recommend Via Warp or Via KLIX being used by merchants?

Citizens Bank/Nova Response

ViaWarp is an application which is recommended when a merchant client is processing transactions across multiple locations. ViaWarp is a cost effective, comprehensive processing solution. The program also provides exceptional reporting capabilities, including the ability to sort and report data according to a "hierarchy". In other words, the program allows for reporting based on various "levels" of data accessed. For example, administrators and management would have access to full reporting and tracking capabilities, whereas those handling day-to-day operations may have access to more limited types of data for security purposes. The access parameters would be designated by the State.

ViaKlix is a web based processing solution. It is designed to provide a cost effective way of processing transactions online, via an existing website.

In addition to these programs, we offer additional software solutions based on specific processing requirements. We also have the ability to partner and work with third party provider solutions.

- n. Is the cost per user or an enterprise license for the Via Warp and Via KLIX reports?

Citizens Bank/Nova Response

The cost would be a one-time licensing fee, not per user/account.

- o. The State would like to translate the basis points proposed by Citizens Bank/Nova into a transaction cost. The estimated transaction cost appears to be \$0.0555/transaction based on the attached spreadsheet. Please verify the cost per transaction; additionally, please advise if Citizens Bank/Nova will provide a transaction cost-based price proposal verse a basis point-based price proposal.

Citizens Bank/Nova Response

The cost per transaction you've calculated would be correct, given that the transactions are processed via the NOVA processing network, our primary network. If the transactions are processed via the Vital processing network, we would need to add an additional \$0.015 per item. This would bring the total per item fee to \$0.0705. This is due to our processing costs are greater when we process transactions via the Vital network. It is possible that we can certify your solution directly to the NOVA network, in order to eliminate this added cost, if you wish. If you'd like, we would be glad to provide you with a proposal/addendum, reflecting the per item charge, rather than the charges provided in terms of basis points. Can we provide the information in our format .. or might you prefer that we use a format of yours? The State clarified with Nova that there was no notation for additional fees via Vital processing in their technical or price proposals; furthermore, Nova agreed and rescinded any additional fees processing via Vital.

- p. Currently, Discover/American Express transactions are settled directly to Discover and American Express from Vital. Fees are listed for Discover and American Express in Citizens Bank's/Nova's price proposal. Do your organization's fees still apply if the State of Michigan settles directly to Discover and American Express?

Citizens Bank/Nova Response

Our Discover and/or American Express authorization fees would not be charged, if the State was processing transactions/authorizations directly to Discover and/or American Express. We charge the per item fee for authorizations. In other words, if those transactions are being directed to Discover and/or American Express directly for authorization and settlement, these authorization fees (\$0.05 per item/authorization) would not be charged by NOVA.

- q. Chargebacks (section 1.104.1.16 of RFP): When is a chargeback fee applicable based on the Schedule of Fees in the Pricing Proposal (Exhibit J of proposal)? Will a chargeback fee be reversed after a chargeback is disputed successfully? At what point will the State's account be debited for chargebacks?



Citizens Bank/Nova Response

Chargeback fees are applied when a cardholder formally disputes a transaction. Because we incur costs when chargebacks occur (due to we assist in researching and responding to chargeback requests on behalf of our merchant clients), we are unable to completely absorb chargeback costs or waive chargeback fees. However, the chargeback fee listed on the Pricing Proposal (Exhibit J) can be further negotiated.

Further, the chargeback fee is a separate fee. In other words, the chargeback fee is not deducted or netted against the transaction(s) in question. Chargebacks and chargeback fees can also be easily tracked and reported.

Since we incur a cost during the chargeback process regardless of the outcome, chargeback fees are not reversed after a chargeback is successfully disputed.

Government agencies generally experience a relatively low instance or rate of chargebacks. As a result, the possible effect of chargebacks and/or chargeback fees on the agency/state would likely be minimal.

The State's account would be debited for a chargeback upon notification that a cardholder has initiated a chargeback/dispute. The funds would be held or reserved by NOVA until the chargeback has been resolved. Given that the chargeback has been resolved in favor of the State, the funds would then be re-deposited into the State's account. We can notify the State prior to any debits for chargebacks, if desired.

If you wish, please refer to the attached listing of suggested tips that can help to minimize chargebacks/risk, for your reference. Some of the information may or may not apply to the State's specific agencies or applications, but the information does contain some helpful information regarding chargebacks.

- r. Remittance Processor (sections 1.104.1.17 and 1.104.6.3 of RFP): The State will not be changing the file layout in Appendix 6 of the RFP (Batch Authorization and Data Capture File Specifications). Please acknowledge the State will not need to change the file layout for processing through Citizens Bank/Nova.

Citizens Bank/Nova Response

We understand and acknowledge that the State would not be changing the specified file layout. We can work with the file layout described within these sections. We would ask for further details regarding layout, specifications, etc., if this project is awarded to us. This information would allow us to ensure proper/optimal account set-up and interface, desired formats/specifications, reporting, etc.

- s. Please provide the most current debit interchange rates.

Citizens Bank/Nova Response

Please refer to the attached document for current credit/debit Interchange rates/fees. The Interchange categories/pricing highlighted in blue text would likely apply to the majority of the State's applications/transactions. As discussed, our additional "mark-up" or fees would be added to Interchange/Assessments.

- t. Regarding section 1.102.3 (Out-of-Scope) of the RFP, please provide pricing for electronic Check Services (separate pricing for electronic check conversion, check verification and guarantee services). Please advise which terminals are needed for verification/guarantee services and any applicable software; furthermore, identify any costs associated with the terminals (if not already identified in proposal) and applicable software. Anticipated volumes should be provided Monday April 25, 2005 to Citizens Bank/Nova.

Citizens Bank/Nova Response

As requested, please refer to the attached document below for Electronic Check Services pricing (conversion, verification, guarantee).



**Electronic Check Processing Services
Pricing Schedule**

Service Level	Pricing
Electronic Conversion with Guarantee	0.85% + \$0.20 per item
Electronic Conversion with Verification & Collections	\$0.26 per item
Electronic Conversion with Verification	\$0.25 per item
Electronic Conversion Only	\$0.24 per item
Monthly statement/support fee:	\$5.00 per month (waived)
Warranty fee:	\$0.00
Check Return fee:	\$2.00 per return/check (not applicable with Guarantee)
* Monthly Minimum fee:	\$30.00
** Non Qualifying Site Draft fee:	\$5.00 per occurrence

*** Monthly Minimum Fee:** \$30.00 per month (if your check/transaction fees do not total at least \$30.00, we would assess the difference. For example if your check/transaction fees during a given month totaled \$21.00, we would assess a \$9.00 charge. If you are processing a fair amount of transactions, such that you meet this minimum processing fee requirement, this fee would not be applicable).

**** Non Qualifying Site Draft Fee:** A non-qualifying site draft occurs if a check is run through the system, which cannot be processed through the system. Examples of these types of checks are third party checks, money orders, etc. We would provide thorough training to State staff, in order to help prevent this from occurring.

Verification with Collections: Fatally returned checks (non-collectable) are automatically placed with a reputable check collections service, if desired. Collection rates are 20% of face value of the collected item. The State would receive monthly collection status statements, if the State chose to utilize the collection service.

NSF Fees: Please note, if you chose to use the 'Electronic Conversion with Verification Service', you could charge an NSF fee to the check-writer. Depending on respective regulations/laws, you may charge upwards of \$10.00-\$20.00 for example, for a returned check item. This could possibly allow the State to recoup some of the check processing fees involved.

The pricing listed above would pertain to transaction/check volumes ranging from 1,000-5,000 items, as specified. We would be able to provide more customized pricing/program for check volumes exceeding 5,000 items, and may also be able to further negotiate pricing. If desired, we would be glad to discuss this service/pricing with the State further, in order to develop a more customized program accordingly.

The Electronic Check Service can be used in conjunction with the State's choice of equipment or software. The service is compatible with current equipment, such as Hypercom T7PT (high-memory – 512K) and T7Plus terminals, as well as most Omni terminals. The service can also be used in conjunction with software (ViaWarp) for processing checks received by mail. Please refer to the attached files for additional details regarding equipment/software.

Equipment and software pricing would vary depending on the number of units acquired. In other words, we can provide quantity discounts. New equipment (including terminal and RDM check imaging device), as well as software options would generally range between \$895.00-\$995.00. In other words, the pricing for equipment and software options are comparable. We would typically discuss the specific applications in which the service would be used, in order to determine best solution per application.



The point-of-sale check processing service seem to be more popular with regard to applications for motor vehicle service/licensing centers, courts, etc. The ARC (accounts receivable or “back office”) solution is more commonly found within agencies that accept many checks/payments by mail (i.e. utilities). We would welcome any opportunity to talk with you more about how these services could benefit the State.

- u. Chargebacks (section 1.104.1.16 of RFP): Can chargeback fees be assess at the same time as the monthly interchange / or discount Fees

Citizens Bank/Nova Response

Yes, chargeback fees would be assessed at the same time as the monthly Interchange/fees.

- v. Please provide the most current pin-based debit interchange rates.

Citizens Bank/Nova Response

Please see attached.

	<u>IC %</u>	<u>IC Per Item</u>	<u>Max Interchange</u>	<u>Switch Fee Per Auth</u>	<u>Total Fee/Network</u>
GENERAL NETWORKS					
Accel	0.60%	\$0.100	\$0.450	\$0.030	\$0.480
NETS		\$0.150	\$0.150	\$0.040	\$0.190
Star	0.65%	\$0.130	\$0.600	\$0.033	\$0.633
Interlink	0.75%	\$0.150	\$0.500	\$0.025	\$0.525
Maestro	0.75%	\$0.150	\$0.500	\$0.025	\$0.525
NYCE	0.65%	\$0.100	\$0.650	\$0.038	\$0.688
Pulse/TYME		\$0.180	\$0.180	\$0.060	\$0.240
Shazam		\$0.200	\$0.200	\$0.050	\$0.250

- x. Please provide a complete listing of the pin based debit interchange rates for all networks.



Citizens Bank/Nova Response

DEBIT NETWORK FEES

SCHEDULE OF FEES: PIN-DEBIT CARDS

Updated: **May 2, 2005**

Average Ticket Pricing Type Enter Per Txn Markup \$68.81 Markup \$0.0555

	<u>IC %</u>	<u>IC Per Item</u>	<u>Max Interchange</u>	<u>Switch Fee Per Auth</u>	<u>Total Fee/Network</u>	<u>Cost per Avg Tkt</u>	<u>Nova Markup</u>	<u>Cost to Merchant</u>
GENERAL NETWORKS								
Accel	0.60%	\$0.1000	\$0.4500	\$0.0300	\$0.4800	\$0.4800	\$0.0555	\$0.5355
NETS		\$0.1500	\$0.1500	\$0.0400	\$0.1900	\$0.1900	\$0.0555	\$0.2455
Star	0.65%	\$0.1300	\$0.6000	\$0.0325	\$0.6325	\$0.6098	\$0.0555	\$0.6653
Interlink	0.75%	\$0.1500	\$0.5000	\$0.0250	\$0.5250	\$0.5250	\$0.0555	\$0.5805
Maestro	0.75%	\$0.1500	\$0.5000	\$0.0250	\$0.5250	\$0.5250	\$0.0555	\$0.5805
NYCE	0.65%	\$0.1000	\$0.6500	\$0.0375	\$0.6875	\$0.5848	\$0.0555	\$0.6403
Pulse/TYME		\$0.1800	\$0.1800	\$0.0600	\$0.2400	\$0.2400	\$0.0555	\$0.2955
Shazam		\$0.2000	\$0.2000	\$0.0500	\$0.2500	\$0.2500	\$0.0555	\$0.3055

SPECIALTY NETWORKS

AFFN (1)		\$0.1800	\$0.1800	\$0.0300	\$0.2100	\$0.2100	\$0.0555	\$0.2655
CU 24 (1) (as of Jun '05)	0.45%	\$0.1300	\$0.3900	\$0.0250	\$0.4150	\$0.4150	\$0.0555	\$0.4705
Money Station (2)		\$0.1800	\$0.1800	\$0.0600	\$0.2400	\$0.2400	\$0.0555	\$0.2955
Alaska Option (2)		\$0.0000	\$0.0000	\$0.0700	\$0.0700	\$0.0700	\$0.0555	\$0.1255

Instant Teller, Mpack, and TX are now part of Accel and utilize the same pricing. The back ground is that they are all owned by FiServ, and FiServ wanted a standard brand. (FiServ has pushed all their issuers to participate in Accel.)

(1) EDS gateway only- petroleum merchants

(2) Elan gateway only - all Nova network merchants

(3) Available only with Vital Processing network. New pricing became effective on Nov. 1, 2004



- y. Provide approximate usage percentages for the predominant networks in Michigan (i.e. 50% Accel, 10% NETS, 10% Star, etc.).

Citizens Bank/Nova Response

As requested, here's the distribution of the NOVA PIN-debit transactions by network for the state of Michigan.

Debit Network	% Transactions
NYCE	52.8%
PULS	12.6%
INLK	12.9%
MAC	7.9%
HONR	10.2%
ACCL	1.8%
MSTO	0.6%
AFFN	0.7%
STAR	0.4%

- z. The State has both 2000 and earlier versions of POS Partner software; however the State will moving away from this software in the future. Will Citizens/Nova support this software?

Citizens Bank/Nova Response

We can process transactions via POS Partner. The State would not need to acquire any additional software from us in that regard, nor would we charge any additional fees for transactions processed via POS Partner.

- aa. Due to the extended time of this procurement the State would like to confirm the Staff provided in your proposal is still available, if not or changes are being considered please provide names, resumes, including detailed description of work to be preformed by staff member.

Citizens Bank/Nova Response

Please refer to the attached document below. Also, if you wish, please feel free to contact these additional client references. Ben Light and Chris Moore have both worked directly with these clients.

Virginia Tech
 Sandi Merrix 540-231-9313
 Gena Simmons 540-231-9317

State of New Jersey
 Ron Tani, OMB Cash Management 609-292-4604

We would ensure that the State would always have access to support .. no matter time of day .. holidays ..etc. We have the knowledge and resources to successfully support this relationship. The contacts we have provided do service other relationships to a limited extent, however, well over 50% of their time would be devoted to the successful and timely implementation and servicing of the State's merchant accounts.



**State of Michigan
Implementation / Service Team**

Please note:

The individuals listed below, in conjunction with their service teams, would provide primary support for the relationship. The individuals listed below would serve as the State's primary points of contact for implementation and service.

Ben Light

Account Implementation Specialist, Operations, Boarding

NOVA Information Systems

Tel: (800) 725-1245 ext. 7845

Direct (865) 403-7845

Fax (865) 403-6845

Email: ben.light@novainfo.com

Ben Light is responsible for implementing the initial set-up and boarding of new, large merchant relationships for all strategic alliances. Previous positions with NOVA include National Account Executive for Relationship Services with responsibilities of a merchant portfolio processing in excess of \$900,000,000. Ben joined NOVA in 1999 and brings over six years of payment processing experience.

Before joining NOVA, Ben was a Finance Manager with Harper Acura for 13 years. He graduated from Virginia Commonwealth University with a Bachelors Degree in Graphic Design.

Ben has successfully worked to implement the following relationships:

- State of New Jersey
- Virginia Tech.
- City of Atlanta
- City of Philadelphia
- Minnesota State Colleges and Universities
- Broward County Clerk of Courts

Ben has also been directly involved with more than 50 other account implementations for various types of merchants (retail, healthcare, internet, etc.) over the past year.

We had originally designated Mr. Jim Kirkeide as the State's assigned Relationship Manager. In this role, Jim would've performed many of the same duties as Ben Light and Chris Moore. Since Ben Light has already had significant correspondence with the State, and is now better familiar with the State's requirements, we felt it was more appropriate to assign Ben to this relationship in place of Jim Kirkeide (given this arrangement would be acceptable to the State).

Ben would serve as the State's single, primary point of contact during implementation and for 2-3 months following implementation. From that point forward, the relationship would be transitioned to Chris Moore for longer term follow up and support. Chris would then serve as the State's single and primary point of contact going forward.

Chris Moore

NOVA Information Systems

National Account Executive

Tel: (800) 725-1245 ext. 8381

Fax: (865) 403-5236

Email: chris.moore@novainfo.com

After Hours / Emergency Pager: (800) 862-0399 PIN 17397579

Chris Moore came to NOVA with a background in sales. Since joining NOVA, Chris has contributed to PC training, banking partner and sales channel support, Relationship Services Escalation, and large account customer support. Chris has since been promoted to Senior Account Executive. He has worked on numerous state / government agency accounts including: State of New Jersey, City of Atlanta, Indiana State University, Commonwealth of Virginia, Virginia Tech., and State of Indiana DMV.



Chris Moore would be involved side-by-side with Ben Light during and following the State's implementation process. As a result, Chris would possess the same level of knowledge and involvement as Ben Light, with regard to the relationship and the State's requirements.

Chris would serve as the State's primary point of contact several months following implementation. Chris and Ben would work together internally to resolve any operational issues, questions, etc. The State would be notified prior to any transition in support functions. We would arrange for a call to take place at an agreed upon timeframe, during which we would have all interested parties involved to discuss the transition process. This arrangement has proven to be very effective in the past.

Alena M. Dietzman

Project Manager
NOVA Information Systems
Tel: (800) 725-1244 ext. 5881
Direct (678) 731-5881
Fax: (678) 731-3881

Email: alena.dietzman@novainfo.com

Alena has over eleven years experience in the bankcard industry. Alena's normal duties include coordinating efforts to convert large number of accounts in a short period of time. In the case of the State of Michigan, Alena will establish the conversion plan and work closely with you to convert your accounts within committed time frames. After conversion, Alena work with Ben Light to assist in servicing equipment and software technical inquiries.

Alena works very closely with Ben Light and Chris Moore. Since Ben Light has already had significant correspondence with the State, and is now better familiar with the State's requirements, we felt it was more appropriate to assign Alena to this role within the relationship in place of Elena Richmond (given this arrangement would be acceptable to the State).

Please note:

The individuals listed below, in conjunction with their service teams, would provide additional support for the relationship. The individuals listed below would assist in addressing questions pertaining to pricing, as well as general implementation and service questions. Lynn Dederich, in conjunction with Bobby Lawson, would work with the State with regard to contract negotiations. Lynn, Bobby, and Richard would also serve as escalation points of contact to the State.

Richard Hutcherson, Senior Implementation Manager
Implementation & Service
NOVA Information Systems
Tel: (865) 403-8247
Fax: (865) 403-5247
Email: richard.hutcherson@novainfo.com

Mr. Hutcherson is the Senior Manager for NOVA Information Systems' Implementation Department. Mr. Hutcherson possesses over 10 years of experience in this role, and his primary focus during this time has been coordinating the implementation of large, high-level accounts.

Mr. Hutcherson would serve as an escalation contact, and would oversee the State's implementation process. Mr. Hutcherson, in conjunction with his team of experts, would work with the State to manage and service its transition, and beyond.

**Lynn Dederich**

**Regional Sales Manager
Government & Institutional Sales
NOVA Information Systems
Tel: (262) 567-2796 (office) / (262) 337-1545 (cell)
Fax: (262) 567-9655
Email: lynn.dederich@novainfo.com**

Lynn Dederich is the Regional Manager for NOVA Information Systems, responsible for Government and Institutional client relationships. Ms. Dederich has worked in the Bankcard industry for over ten years, specializing in relationship management, sales, and service. Her primary focus is government related accounts. She is a leading expert in the Merchant Payment Services industry. Ms. Dederich has spent the past 15 years managing high-profile client relationships. Ms. Dederich has degrees in Business and Marketing, from Marquette University (Milwaukee, Wisconsin).

Ms. Dederich coordinated our response to the State's RFP, and would address any questions regarding the response. She would also be responsible for subsequent discussions pertaining to pricing and contract negotiations, as well as general questions dealing with implementation and service.

**Bobby Lawson
Vice-President
Government & Institutional Sales
NOVA Information Systems
Tel: (678) 455-5447 (office) / (404) 402-1190 (cell)
Fax: (678) 731-3168
Email: bobby.lawson@novainfo.com**

Bobby Lawson is the Vice President of Government Sales for NOVA Information Systems, Inc. He possesses over 12 years of experience in the Bankcard industry, specializing in the Public Sector / Government during the past 5 years. Mr. Lawson has worked with countless numbers of government agencies, and continues to be the leading expert in Merchant Payment Services for Government / Public Sector.

Mr. Lawson has served on several advisory councils including the National Electronic Commerce Coordinating Council (NECCC) and the Government Technology Southeast Committee (GTC). Prior to working in the Bankcard Industry, Mr. Lawson attended and graduated from North Georgia Military College and State University where he earned a commission in the United States Army. Mr. Lawson served as an NCO in the United States Army Reserve from 1987-1991, and as an Officer from 1992-1996. He also served as a platoon leader in Operation Desert Storm.

Mr. Lawson would oversee subsequent discussions and negotiations with the State. Mr. Lawson would also serve as an escalation contact with regard to contract dealings and service.



APPENDIX 3

PRICING



SCHEDULE OF FEES – STATE OF MICHIGAN

VISA®

Interchange Classification
(includes Interchange and Assessments)

	Interchange		NOVA		
	Fees On	Per Item On	VISA Assessments On	Per Item Fee	Effective
	<u>Net Activity</u>	<u>Net Activity</u>	<u>Sales Volume</u>	<u>Transactions</u>	<u>Net Rate/Fee</u>
CPS Retail 2 – Credit (swiped and non-swiped)	1.43%	\$0.05	0.0925%	0.00% + \$0.0555	1.53% + \$0.1055
CPS Retail 2 – Debit (swiped and non-swiped)	0.80%	\$0.25	0.0925%	0.00% + \$0.0555	0.90% + \$0.3055
VISA Utility Program (optional)	0.00%	\$0.75	0.0925%	0.00% + \$0.0555	0.10% + \$0.8055
CPS Retail (swiped)	1.54%	\$0.10	0.0925%	0.00% + \$0.0555	1.64% + \$0.1555
CPS Retail Key-Entered (non-swiped)	1.85%	\$0.10	0.0925%	0.00% + \$0.0555	1.95% + \$0.1555
CPS Card Not Present (non-swiped)	1.85%	\$0.10	0.0925%	0.00% + \$0.0555	1.95% + \$0.1555
Commercial Card Level II Data Rate	1.90%	\$0.10	0.0925%	0.00% + \$0.0555	2.00% + \$0.1555
EIRF	2.30%	\$0.10	0.0925%	0.00% + \$0.0555	2.40% + \$0.1555
Standard	2.70%	\$0.10	0.0925%	0.00% + \$0.0555	2.80% + \$0.1555
Commercial Electronic	2.20%	\$0.10	0.0925%	0.00% + \$0.0555	2.30% + \$0.1555

MasterCard®

Interchange Classification
(includes Interchange and Assessments)

	Interchange		NOVA		
	Fees On	Per Item On	MasterCard Assessments On	Per Item Fee	Effective
	<u>Net Activity</u>	<u>Net Activity</u>	<u>Sales Volume</u>	<u>Transactions</u>	<u>Net Rate/Fee</u>
Public Sector – Credit (swiped and non-swiped)	1.55%	\$0.10	0.095%	0.00% + \$0.0555	1.65% + \$0.1555
Emerging Market – Debit (swiped and non-swiped)	0.80%	\$0.25	0.095%	0.00% + \$0.0555	0.90% + \$0.3055
Merit 3 – Credit (swiped)	1.63%	\$0.10	0.095%	0.00% + \$0.0555	1.73% + \$0.1555
Merit 3 – Debit (swiped)	1.05%	\$0.15	0.095%	0.00% + \$0.0555	1.15% + \$0.2055
Merit 1 – Credit (non-swiped)	1.95%	\$0.10	0.095%	0.00% + \$0.0555	2.05% + \$0.1555
Merit 1 – Debit (non-swiped)	1.64%	\$0.16	0.095%	0.00% + \$0.0555	1.74% + \$0.2155
Key Entered (non-swiped)	1.95%	\$0.10	0.095%	0.00% + \$0.0555	2.05% + \$0.1555
Standard	2.70%	\$0.10	0.095%	0.00% + \$0.0555	2.80% + \$0.1555
Corporate Face-to-Face	1.95%	\$0.00	0.095%	0.00% + \$0.0555	2.05% + \$0.0555
Corporate Standard	2.70%	\$0.10	0.095%	0.00% + \$0.0555	2.80% + \$0.1555
Corporate Data Rate 1	2.65%	\$0.10	0.095%	0.00% + \$0.0555	2.75% + \$0.1555
Corporate Date Rate 2	1.95%	\$0.00	0.095%	0.00% + \$0.0555	2.05% + \$0.0555
Corporate Data Rate 3	1.75%	\$0.00	0.095%	0.00% + \$0.0555	1.85% + \$0.0555

Listed above is a sampling of some of the various qualifications / pricing that could apply to the State’s transactions. Other transaction qualifications / pricing may apply to other card / transaction types (i.e. partially or non-qualified transactions, commercial card, purchasing card, corporate / business card transactions, etc.). For further details, please refer to Interchange Qualifications / Requirements.

The grid above lays out the pricing components (Interchange, Assessments, NOVA fees) and effective / blended pricing (‘Effective Net Rate/Fee’), in order to illustrate final / resulting pricing for presentation purposes. However, actual fees will be pass-through (i.e. Interchange + Assessments + NOVA mark up of \$0.0555 per transaction), and will be assessed individually / separately from one another.

Per the line items / pricing highlighted in bold text above, many of the State agencies’ accounts / transactions would qualify for VISA and MasterCard preferred Emerging Market (CPS Retail 2) and Public Sector / Emerging Market pricing respectively. This preferred pricing for Government would often apply to accounts processing State fees / payments. These types of payments are generally recognized by VISA and MasterCard as public sector / emerging market type payments. Other types of payments may not necessarily qualify (golf courses, concessions, etc.), per Card Association policies and rules. Qualification / Pricing is also dependent upon payment type and industry (SIC) code, per Card Association policies and rules.

Pricing is subject to change, as pricing is dependent upon VISA / MasterCard Interchange and Assessments. Any changes in Interchange / Assessments would be passed on to the State / agencies. However, NOVA’s processing fee (\$0.0555 per transaction) would remain constant.

The Card Association Interchange / Assessments represent our cost. In order to arrive at the State’s pricing for the various Interchange qualifications / pricing, you would add 0 basis points plus \$0.0555 per transaction (NOVA’s processing fees) to Interchange / Assessments. Interchange / Assessments will be passed through to the State, and the NOVA ‘per transaction fee’ of \$0.0555 will be billed to the State separately (from Interchange / Assessments).



Preferred / special pricing can be applied to VISA utility payments (i.e. VISA Utility Program), if desired.

Equipment / Software Options:

Hypercom T7Plus terminal (built-in, thermal printer included)

\$475.00 purchase price per unit or \$18.00 / unit lease fee per month

Electronic Check Imaging Device (can be used in conjunction with the Electronic Check Service)

\$395.00 purchase price per unit or \$11.00 / unit lease fee per month

External Pin Pad (can be used in conjunction with PIN based debit processing w/Hypercom terminal)

\$155.00 purchase price per unit or \$7.00 / unit lease fee per month

ViaWARP Standard Version - Software (up to 50 users / accounts)

\$795.00 purchase (one time occurrence) / plus \$9.95 monthly support fee

Magtek PC Swipe (“Wedge”) Credit Card Reader Device (used in conjunction with ViaWarp Software)

\$130.00 purchase price per unit

ViaKLIX Software

\$95.00 purchase (one time occurrence) / plus \$20.00 monthly maintenance fee

Manual Imprinter Device

\$0.00 purchase per unit

Other Fees - (if applicable)

Application / Set-Up Fee	\$95.00	One Time Occurrence	Waived
Re-programming Fee	\$40.00	One Time Occurrence	Waived
On-site Installation	\$0.00	Per Occurrence	
Next Day Air (rush shipment request)	\$25.00	One Time Occurrence	Waived
Monthly Minimum Discount Fee	\$20.00	Per Month	Waived
Statement Fee	\$5.00	Per Month	Waived
Voice Authorization Rates	\$0.35	Per Occurrence	
Equipment Swap Shipping (Year 1 of Purchase)	\$35.00	Per Occurrence	Waived
Chargeback Fee	\$5.00	Per Occurrence	
At State's Option \$1,000,000. Performance Bond	\$7,500.00	Life of Contract	Optional

Card Type	Per Authorization
American Express	\$0.05 per authorization
Discover	\$0.05 per authorization
Debit (PIN based)	\$0.0555 per authorization (plus debit network fees)



Electronic Check Services (ECS)
Pricing Schedule

Service Level	Pricing
Electronic Conversion with Guarantee	0.85% + \$0.20 per item
Electronic Conversion with Verification & Collections	\$0.26 per item
Electronic Conversion with Verification	\$0.25 per item
Electronic Conversion Only	\$0.24 per item

<i>Monthly statement/support fee:</i>	<i>\$5.00 per month (waived)</i>
Warranty fee:	\$0.00
Check Return fee:	\$2.00 per return/check (not applicable with Guarantee)
* Monthly Minimum fee:	\$30.00
** Non Qualifying Site Draft fee:	\$5.00 per occurrence

*** Monthly Minimum Fee:** \$30.00 per month (if your check / transaction fees do not total at least \$30.00, we would assess the difference). For example if your check /transaction fees during a given month totaled \$21.00, we would assess a \$9.00 charge. If you are processing a fair amount of transactions, such that you meet this minimum processing fee requirement, this fee would not be applicable.

**** Non Qualifying Site Draft Fee:** A non-qualifying site draft occurs if a check is run through the system, which cannot be processed through the system. Examples of these types of checks are third party checks, money orders, etc. We would provide thorough training to State staff, in order to help prevent this from occurring.

Verification with Collections: Fatally returned checks (non-collectable) are automatically placed with a reputable check collections service, if desired. Collection rates are 20% of face value of the collected item. The State would receive monthly collection status statements, if the State chose to utilize the collection service.

NSF Fees: Please note, if you chose to use the 'Electronic Conversion with Verification Service', you could charge an NSF fee to the check-writer. Depending on respective regulations / laws, you may charge upwards of \$10.00-\$20.00 for example, for a returned check item. This could possibly allow the State to recoup some of the check processing fees involved.



Visa® Interchange Qualification Criteria

Consumer and Corporate Card Products

CATEGORY	REQUIREMENTS TO QUALIFY	COMMENTS
CPS Retail	<ul style="list-style-type: none"> 100% authorization (one at a time) Mag-stripe read of card Hotel & Car Rental transactions must include folio and car rental agreement numbers & check in/out dates Deposit within 1 day 	<ul style="list-style-type: none"> Face-to-Face transaction Signature required Best interchange rate available to the merchant for consumer cards
CPS Retail Key Entered	<ul style="list-style-type: none"> 100% authorization (one at a time) Card must be present AVS request required Deposit within 1 day 	<ul style="list-style-type: none"> Face to Face transaction (when mag stripe fails) Signature required Faulty magnetic stripe of card or card reader on terminal
CPS Supermarket	<ul style="list-style-type: none"> Must meet CPS Retail Requirements Merchant qualification and registration in Supermarket program required Deposit within 1 day 	<ul style="list-style-type: none"> Face-to-Face transaction
CPS Card Not Present	<ul style="list-style-type: none"> 100% authorization (one at a time) Mail/phone indicator Merchant phone number Purchase Order indicator and number Address Verification Service (AVS) request Shipping date can be no more than 7 days after the authorization date Order number must be present in the deposit record Merchant phone number, URL or email address required in City Field Deposit with in 1 day 	<ul style="list-style-type: none"> Non Face to Face transaction Best interchange rate available to merchant for non-face-to-face transactions.
CPS Restaurant	<ul style="list-style-type: none"> Consumer Cards only Card must be present One authorization per transaction MCC=5812 or 5814 Deposit within 1 day 	<ul style="list-style-type: none"> Face-to-face transactions Signature required Mag stripe must be read
EIRF	<ul style="list-style-type: none"> 100% authorization Deposit within 2 days 	<ul style="list-style-type: none"> Face-to-face or non face-to-face transaction processed electronically
CPS Retail 2	<ul style="list-style-type: none"> 100% authorization Deposit within 2 days 	<ul style="list-style-type: none"> Developing markets only
Standard	<ul style="list-style-type: none"> 100% authorization Deposit within 30 days 	<ul style="list-style-type: none"> Highest interchange rate
CPS/Hotel or CPS/Car Rental	<ul style="list-style-type: none"> One authorization per transaction Clearing amount must be within 15% of authorized amount Trans. must include hotel folio and car rental agreement numbers & check in/out dates Transaction date must be the check-out or pre-payment dates for hotels or the car return or pre-payment date for car rentals Deposit within 1 day 	<ul style="list-style-type: none"> Card not present with valid signature on file Preferred customer status



CPS/Hotel or CPS/Car Rental	<ul style="list-style-type: none"> • One authorization per transaction • Clearing amount must be within 15% of authorized amount • Trans. must include hotel folio and car rental agreement numbers & check in/out dates • Transaction date must be the check-out or pre-payment dates for hotels or the car return or pre-payment date for car rentals • Deposit within 1 day 	<ul style="list-style-type: none"> • Card Not Present • Signature Required
Signature Electronic	<ul style="list-style-type: none"> • Must meet CPS requirements • Card type must be signature card • 100% authorization • Deposit within 1 day 	<ul style="list-style-type: none"> • Applies to T&E merchants
Signature Standard	<ul style="list-style-type: none"> • 100% authorization • Card type must be signature card • Deposit within 30 days 	<ul style="list-style-type: none"> • Applies to T&E merchants
Commercial Electronic	<ul style="list-style-type: none"> • CPS qualified data • Sales Tax not included with the transaction • Customer Code not included with transaction 	<ul style="list-style-type: none"> • Corporate Card transactions that do not include sales tax or a Purchasing Card that does not include sales tax and customer code.
Commercial Standard	<ul style="list-style-type: none"> • Not CPS qualified data 	<ul style="list-style-type: none"> • Highest interchange rate for Commercial Card transactions.

NOTE: Effective September 27, 1997 Visa is requiring that Sales Tax and Customer Code be included with the Purchasing Card clearing record and sales tax with Corporate Card transactions to qualify for CPS incentive rates.



MasterCard® Interchange Qualification Criteria

Consumer Card Products

CATEGORY	REQUIREMENTS TO QUALIFY	COMMENTS
Merit 3	<ul style="list-style-type: none"> 100% authorization The cleared amount must be within 10% of the authorized request (25% for restaurants and bars) Mag-stripe read of card Deposit within 1 day 	<ul style="list-style-type: none"> Best interchange rate Face-to-Face transaction Signature required Consumer cards only
Supermarket	<ul style="list-style-type: none"> Must meet all Merit III requirements Merchant qualification and registration in Supermarket program required 	<ul style="list-style-type: none"> Face-to-Face transaction
Key-Entered	<ul style="list-style-type: none"> 100% authorization Transaction is key entered due to terminal or card failure The cleared amount must be within 10% of the authorized request (25% for restaurants and bars) Deposit within 1 day 	<ul style="list-style-type: none"> Mag-Stripe unreadable Face-to-Face transaction Signature required Consumer cards only
Merit 1	<ul style="list-style-type: none"> 100% authorization The cleared amount must be within 10% of the authorized request (25% for restaurants and bars) Deposit within 2 days 	<ul style="list-style-type: none"> Face-to-Face or non face-to-face transaction Consumer cards only
Standard	<ul style="list-style-type: none"> Floor limit authorization 30-day clearing 	<ul style="list-style-type: none"> Highest interchange rate
Corporate Face-to-Face	<ul style="list-style-type: none"> Mag stripe read Deposit within 1 day 	<ul style="list-style-type: none"> Corporate Card products only Face-to-face transaction Signature required
Corporate Standard	<ul style="list-style-type: none"> 100% authorization 30-day clearing 	<ul style="list-style-type: none"> Highest interchange rate Corporate Card products only
Corporate Data Rate I	<ul style="list-style-type: none"> 100% authorization The cleared amount must be within 10% of the authorized amount (except Cardholder Activated Fuel devices) Deposit within 2 days 	<ul style="list-style-type: none"> Corporate Card products only T&E merchants ineligible
Corporate Data Rate II	<ul style="list-style-type: none"> Fuel dealers and marinas must have drivers/ID no., vehicle no., odometer reading and product type code 100% authorization Transaction must be authorized by the card issuer The cleared amount must be within 10% of the authorized amount (except Cardholder Activated Fuel devices) Level II Purchasing data required Deposit within 2 days 	<ul style="list-style-type: none"> Corporate Card products only T&E merchants ineligible
Corporate Data Rate II	<ul style="list-style-type: none"> MasterCard Corporate Fleet Card transactions at service stations, automated fuel dispensers or truck stops ineligible Transaction must be authorized by the card issuer The cleared amount must be within 10% of the authorized amount (except Cardholder Activated Fuel devices) Level II and Level III Purchasing data required Deposit within 2 days 	<ul style="list-style-type: none"> Corporate Card products only T&E merchants ineligible
Corporate T&E – Rate I	<ul style="list-style-type: none"> 100% authorization Card present Signature required The cleared amount must be within 10% of the authorized request (25% for restaurants and bars) 	<ul style="list-style-type: none"> Corporate Card products only T&E merchants ineligible