



LEGAL NOTICE

REQUEST FOR PROPOSALS

The Town of Smyrna will accept proposals for Merchant Services Provider for the multiple departments of the Town government. Bidders shall submit sealed quotations in the format specified in the Request for Proposals no later than 2:30 p.m. CST April 2, 2018 at which time quotations will be publicly opened and read aloud. No proposal may be withdrawn after the scheduled closing time for a period of 90 days. Proposal documents may be obtained at Town Hall during regular business hours or www.townofsmyrna.org. Quotations should be mailed or hand delivered to:

Rex S. Gaither
Smyrna Town Hall
Sealed Proposal on Merchant Services Provider
April 2, 2018 @ 2:30 p.m.
315 South Lowry Street
Smyrna, Tennessee 37167

Verbal quotations or quotations received after the closing date will not be accepted. The Town of Smyrna reserves the right to reject any and all quotations, to waive technicalities or informalities and to accept any proposal deemed to be in the best interest of the Town.

The Town of Smyrna will not discriminate in the purchase of all goods and services on the basis of race, color, religion, sex, national origin, age, disability or any other lawfully protected classification.

SUBMITTED BY: REX S. GAITHER
 FINANCE DIRECTOR

TO BE RUN: March 5, 2018

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SECTION I - GENERAL INFORMATION

- A. The Town of Smyrna is seeking proposals from providers who are interested and qualified to provide merchant services and payment processing for electronic data credit card and debit card payment services including point-of-sale transactions, phone and Internet transactions and electronic check conversion. It is the intent of the Town to select a single provider to accomplish all services outlined in the RFP.

Smyrna Town Hall: 315 South Lowry Street
Smyrna, TN 37167

Questions should be directed to Hal Loflin: phone (615) 459-2666 ext. 3892, or e-mail: hal.loflin@townofsmyrna.org.

- B. The Town of Smyrna reserves the right to reject any and all quotations, to waive technicalities or informalities and to accept any proposal deemed to be in the best interest of the Town. No proposal may be withdrawn after the scheduled closing time for a period of 90 days.
- C. The bidder shall abide by and comply with the true intent of the specifications and not take advantage of any unintentional error or omission, but shall fully address the full intent and meaning of each aspect of the specifications.
- D. Section II, III, IV, VI and Agreement shall be completed and included as an integral part of each bidders proposal.
- E. Freight shall be paid by provider and should be included in unit price proposal.
- F. The Town is a tax exempt organization.
- G. Mail is delivered after 11:00 a.m. Monday through Friday.
- H. The Town of Smyrna, in accordance with Title VI of the Civil Rights Act of 1964 and Title 49, Code of Federal Regulations, hereby notifies all Bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, creed, sex, handicap or national origin in consideration for an award.
- I. Bid quotations must be submitted on the Town's quotation page(s). Additional pages may be used as necessary.
- J. By submission of this bid, each bidder/proposer and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief that each bidder is not on the list created pursuant to T.C.A. § 12-12-106 Iran Divestment Act.
[https://www.tn.gov/assets/entities/generalservices/cpo/attachments/List_of_persons_pursuant_to Tenn. Code Ann. 12-12-106, Iran Divestment Act-July.pdf](https://www.tn.gov/assets/entities/generalservices/cpo/attachments/List_of_persons_pursuant_to_Tenn._Code_Ann._12-12-106,_Iran_Divestment_Act-July.pdf)

SECTION II – SPECIFICATIONS

General

The credit card service shall include at a minimum MasterCard, Visa, and Discover. The provider shall provide all necessary equipment and services for processing payments by credit card and electronic check processing received by phone, in person, and over the Internet through those systems listed in SECTION III, Scope of Services, Background Information, Equipment and Software. Services to be provided include, but are not limited to, the following:

1. The systems or programs proposed by the provider must be able to authenticate the cardholder and use the card's magnetic strip or chip to authorize and capture the transaction and be compatible with any future technology required by the credit card industry.
2. The system proposed by the provider must be able to utilize electronic check conversion for both over the counter and Internet payments.
3. The provider must provide payment, settlement and refunding services.
4. The provider must be Cardholder Information Security Program (CISP) and Payment Card Industry (PCI) Data Security Standard (DSS) compliant.
5. The provider must be able to post payments to multiple merchant ID's.
6. The provider must be able to provide a backup web solution to take payments if the primary access is down.
7. The provider must deposit gross payments in the Town's bank account daily.
8. The provider must provide online daily transaction and account reconciliation reports with multiple sorting options.
9. The provider must provide a software or Internet based point-of-sale. The system should allow the Town to run transaction reports during the business day without interrupting the ability of the point-of-sale system to process transactions.
10. Software and Internet applications must be compatible with the Town's present software.

Reservations

The Town reserves the right to charge a processing or handling fee to its customers for the additional costs of accepting credit card payments. Successful proposer should be prepared to provide assistance to the Town establishing a convenience/service fee structure which is compliant with MasterCard, Visa, Discover, and Tennessee LGC requirements. Agreement to providing this guidance should be referenced in proposal.

In lieu of the Town charging a convenience fee, options will be accepted for the provider automatically adding said fee to each transaction for selected departments/terminals. For these transactions, there shall be no costs incurred by or charged to the Town.

Agreements

Include all required agreements and contracts regarding the RFP with your proposal, including MasterCard, Visa, Discover, etc. agreements. It is the intent of the Town

to standardize the service/handling fees in each of the credit card agreements, if possible.

Payment Terms

Charges should be automatically debited from the Town's General Disbursement bank account by the 5th calendar day of the following month. Customer payments should be credited to the Town's account daily.

Statements

Monthly statements must be available for download via the Internet or received by the Town of Smyrna, 315 South Lowry Street, Smyrna, TN 37167, by the 5th calendar day of the following month. Each town department or area should have an individual statement of activity and charges, plus a statement that summarizes all the departments.

The town reconciles its credit card transactions daily. Transactions must be available to be easily downloaded into Microsoft Excel from the provider on a daily basis. At a minimum, this should include the merchant ID, transaction date, amount, card number and name.

Designated Merchant Card Personnel

Upon selection, the merchant card processor shall designate one account officer with authority and responsibility for the Town's entire account. The designee shall be responsible for training and communicating the terms of this contract to all of its employees.

This designated account manager shall also have responsibility for ongoing review and oversight of the Town's transactions. This manager should provide the Town with timely reports of heightened transaction "downgrades" resulting in higher rates/fees, along with recommendations to the Town management for improving related Town processes and methodology to positively impact the resultant electronic interchange reimbursement fee.

Notices

The successful provider shall notify the town in writing within ten (10) business days of any changes in Federal or State regulations that would thereafter affect the credit card services contract. The merchant service provider shall also notify the Town of new services that become available to the town throughout the contract period.

Operating Rules

Provider shall provide a copy of the Operating Rules relevant to the services requested herein, including but not limited to, authorizations, refunds and adjustments settlements, chargebacks and fees.

Software

Any software provided directly or indirectly by the Provider shall be fully compatible with Microsoft Windows 10 and its successors, as currently configured within the Town's computer and network infrastructure. Compatibility shall include, but is not

limited to, running on Windows 10 Professional and Windows 10 Enterprise within an Active Directory domain where the end user does not have elevated privileges on their workstation. Said software shall be fully PCI-DSS compliant and shall be updated during the term of this contract such that it remains compatible with Microsoft's then current version of Windows and with the then current card industry standards. All updates shall be provided to the Town at no additional cost. If the software vendor ceases to update and support the software during the term of this contract, a suitable replacement shall be provide to the Town at no additional cost.

Instructions to Providers:

General

This section outlines specific instructions for proposal submissions. Proposers not adhering to these instructions shall be disqualified without further consideration.

All proposals are subject to the Tennessee Open Records Act.

The Town of Smyrna requires comprehensive responses to every section within this RFP. Conciseness and clarity of content are emphasized and encouraged. Vague and general proposals will be considered non-responsive and will result in disqualifications. To facilitate the review of the responses, providers shall follow the described proposal format. The intent of the proposal format requirements is to expedite review and evaluation. It is not the intent to constrain providers with regard to content, but to assure that the specific requirements set forth in this RFP are addressed in a uniform manner amendable to review and evaluation. Failure to arrange the proposal as requested may result in the disqualification of the proposal. It is requested that proposals be limited to no more than 50 pages, excluding resumes and sample documents. All pages of the proposals must be numbered and the proposal must contain an organized, paginated table of contents corresponding to the sections and pages of the proposal.

Project Timeline

The provider selection process will follow the timeline shown below. All times will be Central Standard Time (CST). Estimated key milestone dates for the completion of the project are also included:

| | |
|------------------------------------|------------------|
| Request for Proposals Issued: | March 5, 2018 |
| Deadline for Submitting Questions: | March 19, 2018 |
| Response to Questions posted: | March 23, 2018 |
| Proposal Submission Deadline: | April 2, 2018 |
| Selection Process: | April 2-26, 2018 |
| Planned Award of Contract: | May 8, 2018 |
| Start Date of Contract: | July 1, 2018 |

Statement of Compliance

By submission of a response to this RFP, Proposer acknowledges full compliance with required specifications and all terms and conditions as detailed in the RFP.

Qualifications and Experience

1. Briefly introduce your provider, providing a summary of the administration, organization and staffing of your provider, including multiple offices, if applicable. Provide an organizational chart indicating the positions and names of the core management team which will undertake this engagement.
2. Identify the project manager and each individual who will work as part of this engagement. Include resumes for each person to be assigned. Include any professional designations and affiliations, certifications and licenses, etc.
3. Describe the experience of the provider in the last thirty six (36) months in performing consulting services in similar size and scope.
4. Provide access to the latest audited Annual Financial Report.
5. The same information must be provided for any associate provider or sub-consultant.

Processing

1. Describe your provider's authorization method, list and describe alternative authorization methods.
2. What authorization methods do you support and which do you recommend for each processing channel?
3. What are the procedures to reverse an incorrect authorization?
4. Describe the monitoring and notification process if a transmission fails.
5. Outline the security measures in place for the protection of data transmitted for processing.
6. Describe the security measures used to prevent unauthorized user access to the system or data. If applicable, please indicate if there has ever been a compromise to any card systems or application through a security breach. If yes, explain the process your company took to notify customers, the steps taken to protect the customer's data and the safeguards put in place to prevent it in the future.
7. What are your daily workflow deadlines and when are funds credited to a merchants account?
8. Can gross settlements be credited to the bank account daily? Can discounts and interchange fees be settled the subsequent month with a separate invoice?

Processing Capabilities

1. Can you provide next day settlement for Visa, MasterCard and Discover network transactions?
2. What is the latest time that sales transactions can be transmitted to meet these settlement times?
3. How is settlement made by your organization (direct account debit, ACH, or invoice)? Please provide details.
4. Please describe how settlement amounts will be listed on the bank statement. Will they appear as one lump sum (meaning one amount for Visa, MasterCard and one amount for Discover)?
5. Describe how you support Bank Information Number (BIN) file management to differentiate between debit card and credit card transactions.

6. Describe your process to ensure that transactions qualify for the lowest interchange category.
7. Describe your procedures to correct duplicate transactions.
8. Describe any limitations on the number of files/transactions:
 - a. Number of transactions contained in a batch?
 - b. Number of files transmitted daily?
9. Are card charge backs or other debit adjustments netted from daily proceeds, or are they debited separately? Please describe your chargeback process in detail.
10. Describe the provider's overall pricing structure. Is the provider offering a fixed cost plus surcharge fee or an interchange plus fee? Complete the Schedule of Fees on page 21 and add other unspecified costs required.
11. List and define transaction fees for authorization, settlement, network, communications and any other fees within your response. Complete the Schedule of Fees on page 22 and include any one-time or set up charges, research fees and include all other fees or charges that will or could be charged. This would include interchange rates, regular and ad hoc reporting costs. The Town of Smyrna will not be obligated to pay for any fees not specified in the proposal.
12. Detail any change in associate fees (Visa and MasterCard) that would be charged through the program from the published interchange rates of these companies.

Rates, Fees and Expenses

1. Provide a detailed fee schedule for discount fees and all other charges and expenses. Include any applicable gateway fees, set up fees, monthly account fees, transaction fees for processing and reporting all transactions. Specify all other fees and charges, included, but not limited to, implementation and conversion costs, charge-backs, voice and off line authorizations, etc. Describe how and when the fees apply.
2. Specify differences in discount rates and fees for each type of card and each type of transaction, i.e.: debit vs. credit; point-of-sale terminal transaction vs. phone transaction vs. Internet transaction.
3. The Town will not be responsible for paying any fees not specifically listed.
4. Specify all applicable fees associated with electronic check conversion, including but not limited to set up fees, monthly access fees, per ACH transaction fees, ACH per item return fees.
5. The Town requires that our bank account be credited for the full amount of the sale and that the discount fees and other applicable charges be debited from the Town's General Disbursement bank account.
6. The fees and charges presented shall remain firm for the original term of the agreement with the following exceptions that shall be adjusted to reflect:
 - a. Additional discounts available for increased volume.
 - b. Increases or decreases in all applicable rates, fees and assessments established and levied by MasterCard, Visa, and Discover against all merchant service providers.

- c. Increases in applicable taxes levied by any State, Federal, or Local authority related to the delivery of the services provided by the merchant services provider.
7. Provider will notify the Town thirty (30) days prior to the effective date of any change of the non-guaranteed conditions, exclusions or service fee increases or decreases.

Project Design and Methodology

1. Provide a detailed work plan for accomplishing the work and services to be provided to the Town.
2. Work plan must describe the provider's methodology, including a detailed project plan and time frames from the award date to implementation, including conversion, new customer training, account set up, testing, and support. Include any technology requirements.
3. Work plan shall clearly distinguish the provider's duties and responsibilities and those of the town. Absence of this distinction shall mean the provider is assuming full responsibility for all tasks.
4. If the successful provider provides a solution that differs from that currently in use by the Town, specify the steps and procedures that will be put in place to ensure there is no interruption of service during the transition.
5. Describe your help desk/customer service and other support functions, including, but not limited to the size of staff and expertise, hours of operation during regular office hours and after hours support, response time for system and equipment failures and inquiries.
6. Describe the reconciliation and remediation procedures.

Reporting Capabilities

1. Retrieval and Charge-backs
 - a. Provide detailed description on how your company handles retrieval and charge-back requests.
 - b. Specify your retrieval compliance timeframes.
 - c. Specify how the Town would be informed when a charge-back is posted.
2. Reporting
 - a. The Town requires that all transaction data be available online. Explain your reporting process.
 - b. Describe the ways in which the reporting cycle can be customized.
 - c. Describe all management and accounting reports.
 - d. Provide samples of all customer account management reports.
 - e. Specify if the reports are available electronically and how they would be delivered (file format).
 - f. Specify if monthly statements are available online and by location.
3. Monthly Statements

Provide a copy of your monthly statement with sample transactions. The statement(s) must provide the following by location and in total:

 - a. Monthly summary showing total number of sales, amount of sales, total number of credits, amount of credits, net sales, and average sale price.

- b. Daily transaction detail showing total number of sales, amount of sales and credits, and deposit for each day.
 - c. Merchant processor discount fee.
- Other fees should be itemized according to the rate categories for MasterCard, Visa, and Discover.

Online Information Reporting Services

1. Describe all reports available and the software used to receive and view reports. Provide an overview of reporting cycles, procedures, and capabilities. Provide a sample of each detail and summary report available or a link to sample reports online.
2. Are reports or other information available via the Internet, PC access, or other online method?
3. Define the download capabilities, level of customization, and drill down capabilities available on online reporting and reports. Describe the daily and/or monthly reconciliation reports available to the merchant and provide sample reports. The following categories need to be defined:
 - a. Standard reports (transaction reports, funding reports, etc.)
 - b. Special reporting capabilities
 - c. Level of detail available
 - d. Retrieval capabilities
 - e. Imaging capabilities
 - f. Reporting frequency
4. Does your provider have the capability of providing reports segregated by each town department for 12 months? Please describe in detail.
5. If multiple merchant numbers are used, describe how multiple merchant numbers are reported and the flexibility afforded the merchant for customizing the reports. Can the merchant “roll up” specified groups for reporting independent of other groups?
6. Do reports include Discover transactions for reconciliation and research purposes?
7. Is your online information reporting system owned and operated internally or is the system outsourced through a third party? If through a third party, please identify the third party. Are improvement and changes to the service controlled by the bank or a third party?
8. Can your provider produce a download of historical information regarding transactions, refunds, and charge backs maintained in a database for access by the merchant? If so, what access method is available? Please describe in detail.
9. How many business days of transaction data is stored on the reporting system and available for the customer to access?
10. Describe your capability to store and retrieve transaction information, including signatures for card transactions? Provide details.
11. Describe the daily and/or monthly reconciliation reports available.
12. Describe your company’s capability to track card transactions for each Town department, creating an audit trail to be used by system administrators or supervisors.

Card Acceptance/Interface Processing

1. Describe the hardware necessary for acceptance of credit and debit cards (a) with card present, (b) when card not present, (c) via e-Commerce (Internet), and (d) pin-based debit.
2. Does the provider provide the equipment on a lease or purchase basis? Do you offer an equipment maintenance plan? If so, what is the turnaround time and costs involved?
3. Describe in detail how your provider can process transactions from various gateways. Provide a list of all payment gateways supported and address all fees for setup, monthly recurring charges and per transactions fees on the Schedule of Fees.
4. Describe the process to add additional third party gateways.

Third-Party Processing

1. Explain your company's role; are you an acquirer, processor, other?
2. Do you rely on third parties to process your merchant card transactions? If so, explain and provide the years of service you have been doing business with them and describe your relationship with your third party processor.
3. Describe in detail how your services are integrated with third party software, websites and gateways.
4. Identify your payment gateway provider and the number of years you have had a relationship with them.

Statutory/Regulatory or Card Association Rules

1. Do you foresee any statutory, regulatory, or card association rule modifications that will change the merchant card processing industry?
2. What is your provider's approach on providing input into policy rules or regulatory changes related to credit and debit cards? What have been the results of your activity?

Payment Card Industry Data Security Standards

1. Describe your PCI-DSS compliance status and program.
2. How do you maintain your compliance with the PCI standards?
3. Is your organization and all of your contractors, subcontractors and third-party processors, in compliance with all applicable PCI DSS standards? Have you been certified as compliant by a qualified third-party assessor? Please name the assessor.
4. What is your role in supporting merchant PCI compliance and how do you help a merchant like the Town of Smyrna maintain its compliance?

Alternate Payment Services

1. Discuss optional and alternative payment services that you believe may help the Town of Smyrna expand merchant card payment options for its departments.

A few alternative payment options that are of interest are:

- a. Mobile Payments

1. Does your mobile reporting service work on the iPhone, Android Phones and /or Blackberry Phone or other devices?
 2. What software (names and version numbers) is required to use your mobile reporting services?
 3. How many customers do you have using your mobile merchant card processing product? How many transactions are you processing monthly? How many dollars are processed monthly?
- b. Contactless Payment Cards/Wallet Solutions i.e. MasterCard PayPass.
- c. Marketing and promotion campaigns to increase adoption of merchant card payments.

Security and Disaster Recovery

Describe security measures and disaster recovery plan, including but not limited to the following:

- a. Outline the security measures in place for the protection of data transmitted for processing.
- b. Describe security measures used to prevent unauthorized user access to either the system or data.
- c. Describe your backup and/or redundant systems. Provide a backup web solution to take card payments.
- d. Provide your disaster recovery plan should a catastrophic event occur.
- e. Describe your ability to assist the Town with PCI Compliance issues.

References

Provide references for similarly successful projects from five (5) governmental agencies, including the name of the agency, contact name, telephone and email address. The Town prefers at least two (2) of the references should be governmental agencies that use Local Government Corporation software located in Columbia, Tennessee.

Proposed Contract Terms and Conditions

Provide all agreements and contracts that pertain to your proposal, including MasterCard, Visa and Discover etc. agreements.

Implementation

1. Provide a detailed description of the implementation process, including testing and a suggested Implementation Schedule. The Implementation Schedule must outline the milestone dates to accomplish and should include detailed tasks, dates and resources assigned and identified for each milestone, to be completed by midnight June 30, 2018.
2. Describe support provided during implementation, including training, technical assistance, user manuals and on-site visits.
3. Describe support provided after implementation at no cost to the Town.

Proposal Submission

Please submit an original plus five (5) hard copies and one (1) electronic of the proposal to the Finance Director's Office at the address set forth on page one. All proposals must be sealed and clearly marked with the proposer's name and the

words, "Merchant Services Provider RFP, Bid Opening Date: 2:30 p.m., April 2, 2018." Failure to provide this information on the envelope may result in the proposal not being considered. Proposers must allow sufficient time to ensure receipt of the proposal. It shall be the sole responsibility of the proposer to have the bid delivered to the Town before the deadline.

SECTION III - TERMS AND CONDITIONS

- A. The Town reserves the right to reject any and all proposals, and to waive minor irregularities in any proposal.
- B. The Town reserves the right to request clarification of information submitted, and to request additional information on any proposal.
- C. The Town reserves the right to award any contract to the next most qualified agency, if the successful agency does not execute a contract on a timely basis.
- D. Any proposal may be withdrawn up until the date and time set above for opening of the proposals.
- E. The contract resulting from acceptance of a proposal by the Town shall be in a form supplied or approved by the Town, and shall reflect the specifications in this RFP. The Town reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the Town Attorney's office.
- F. The Town shall not be responsible for any costs incurred by the agency in preparing, submitting or presenting its response to the RFP.
- G. The initial contract period will be for two (2) years from the start of the contract. The term of the contract may be extended in two (2) year increments for two (2) additional two-year periods for total contract duration of six (6) years, in accordance with the Town's best interest and at the sole option of the Town.
- H. The Town shall not enter into an agreement of exclusivity for all departments within the Town government. In the event one or more of the Town department's obtain new operational software for the benefit of the Town and service to its citizens and such software and the company that possesses rights to the software are unable to utilize the current gateway utilized by the Merchant Services Provider either due to logistics or as a result of existing contractual obligations; the department(s) may cease using the Merchants Service Provider with ninety (90) days' notice without penalties.

SCOPE OF SERVICES

Purpose

The Town of Smyrna intends to establish a contract for a Merchant Services Provider for electronic data credit card and debit card payment services, including point-of-sale transactions, phone and Internet transactions and electronic check conversion. The Town of Smyrna is requesting proposals for the purpose of selecting

and retaining qualified card company processing services. The contract shall be for a period of two (2) years. The Town may renew the contract for a maximum of two (2) additional two (2) year periods.

Background Information

Locations

Currently six (6) departments utilize this service. The Town reserves the right to add/delete locations, as it deems necessary. No location changes shall be made without the consent of the Town. Current locations are as follows:

| | |
|----------------------------------|----------------|
| Town Hall – Treasury & Utilities | 4 Card Readers |
| Court | 4 Card Readers |
| Parks & Recreation | 9 Card Readers |
| Golf Course | 2 Card Readers |
| Event Center | 2 Card Readers |

Equipment and Software

The Town of Smyrna currently uses point-of-sale card swipes and computers for payments at the various Town locations. Phone payments are also accepted. The Town is using the following software applications to allow customers to pay their bill over the Internet with a card:

| Software | Vendor | Gateway |
|---------------------------------|--------------|---------------|
| UMS – Utility Management System | CUSI | USAePay |
| Community Pass | Capturepoint | Authorize.net |

Current software used on computers for point-of-sale transactions is:

| Software | Vendor | Gateway |
|--------------------------|--------------|---------------|
| USAePay Virtual Terminal | USAePay | USAePay |
| Community Pass | Capturepoint | Authorize.net |

Please note that the USAePay Virtual Terminal is used by our Treasury Department in lieu of stand-alone swipe/chip terminals. These use a MagTek 21040145 SureSwipe reader. Currently, CUSI’s UMS uses a proprietary certificate key loaded in their reader, IDTECH SecureMag IDRE-334133B.

The provider should demonstrate the ability to provide an interface with the above products. All card processing equipment including keypads to be provided to the town at no cost.

Vendor Contact Information

CUSI
 300 South Church Street, Suite 200
 Jonesboro, AR 72401
 800-240-1420
 cusi.com

Capturepoint
141 Dayton Street, Suite 204
Ridgewood, NJ 07450
201-689-2323
communitypass.net

USAePay
1833 Victory Blvd.
Glendale, CA 91201
866-872-3729 x706
usaepay.info

Sales Volume

The Town currently accepts MasterCard, Visa and Discover. Annual volume and average ticket dollars are based on sales from the last twelve (12) months to equal approximately \$4 million.

SECTION IV: PROPOSAL EVALUATION PROCESS

The Town Evaluation Panel will first examine bids to eliminate those that are clearly non-responsive to the stated requirements. Therefore, Providers should exercise particular care in reviewing the Bid Format required for this RFP.

The Evaluation Panel shall then independently score all remaining bids based upon the evaluation factors detailed herein. Upon completion of the scoring, the Panel may recommend short-listing the bids that are rated the highest.

The detailed evaluation that follows the initial examination may result in more than one finalist. At this point, the Evaluation Panel may request presentations by Providers, carry out Contract negotiations for the purpose of obtaining best and final offers, and conduct detailed reference checks on the short listed Providers.

The Town reserves the right to contact any and all references to obtain, without limitation, information regarding the Provider's performance on current and on previous projects. A uniform sample of references will be checked for each short listed Provider.

The Town reserves the right to request clarifications or corrections to bids, or to issue such clarifications, modifications, and/or amendments as it may deem appropriate.

The Town reserves the right to withdraw this RFP at any time and for any reason or to reject all bids and to issue such clarifications, modifications, and/or amendments as it may deem appropriate.

Receipt of a bid by the Town neither confers any rights upon the Provider nor obligates the Town in any manner.

The Town reserves the right to waive minor irregularities in bids, provided that such action is in the best interest of the Town.

Any such waiver shall not modify any remaining RFP requirements or excuse the Provider from full compliance with the RFP specifications and other Contract requirements if the Provider is awarded the Contract.

The Town reserves the right to award the contract to the highest ranked provider without further discussion who, in the opinion of the Town Evaluation Panel, has made the best overall bid that it is in the best interest of the Town to accept. The decision to award the contract may be based solely on the basis of written bids or the decision to reject any and all bids may be based solely on the basis of written bids if the Town Evaluation Panel determines that it is in the best interests of the Town to do so. The decision of the Town Evaluation Panel is final, there is no appeal.

The Town reserves the right to request oral presentations and interviews at any time prior to recommendation of award. Oral presentations are not mandatory for the awarding of the contract.

The Town reserves the right to contact and request additional information relating to or the clarification of the bids submitted.

Bid Evaluation Panel and Evaluation Factors

A panel appointed by the Town Manager, of employees representing the Town, will evaluate bids. Other agencies and consultants of the Town also may examine submitted documents. The panel will rank the bids as submitted. The factors to be considered in the evaluation of bids are listed below. The Town believes all these items to be of importance:

1. The Town will evaluate bids for compliance, completeness, responsiveness and feasibility of proposed business plan, considering overall philosophy to providing the service, detailed plan of approach (including major tasks, subtasks and timeline), proposed service quality program, and Town's analysis of the risks posed by Provider's proposed solution.
2. The Town will evaluate the overall experience of the Provider and contract team, organizational structure, and the evaluations of Provider's past and current performance with other clients.
3. The Town will evaluate the proposed schedule for compliance with the RFP. The bid shall state whether or not existing contractual commitments of similar scope and priority are likely to have a negative impact on the Provider's ability to service this contract.

4. The Town will evaluate and consider the impact of any additional fees to an interchange plus proposal associated with any specific Provider for processing Town transactions through all software systems.
5. The Town will evaluate the character, integrity, reputation, experience and efficiency of the Provider, as well as, the ability, capacity, and financial strength of the Provider to provide the service.
6. The Town will evaluate the previous and existing compliance by the Provider with laws and ordinances relating to the contract or service.
7. The Town will evaluate the terms and conditions stated in the bid.
8. Furthermore, the Town will evaluate any other information that the Town deems relevant and material in evaluating the Providers.

Evaluation of Bids

Bids will be evaluated using the criteria listed below to ascertain which bid best meets the needs of the Town. The items to be considered during the evaluation and the associated point values are as follows:

| Criteria | Maximum Points |
|------------------------------------------|-----------------------|
| Provider's Qualifications and Experience | 25 |
| Rates, Fees and Expenses | 35 |
| Project Design and Methodology | 25 |
| Reporting Capabilities | 5 |
| References | 10 |
| Total Possible Score | 100 |

The Town reserves the right to award a contract solely on the written bid.

At the discretion of the Town Manager, the Municipality reserves the right to request oral interviews with the highest ranked providers (short list); however oral interviews are not required to award this contract. The purpose of the interviews with the highest ranked providers would be to allow expansion upon the written responses. If interviews are conducted, up to a maximum of three (3) providers will be short-listed. A second score sheet will be used to score those providers interviewed. The final selection will be based on the total of all evaluators' scores achieved on the second rating. The same categories and point ranges will be used during the second evaluation as for the first. The highest ranked Provider after the second scoring, if oral presentations are required, may be invited to enter into final negotiations with the Town for the purposes of awarding the contract.

The Provider with the highest total evaluation points may be invited to enter into contract negotiations with the Town. If an agreement cannot be reached, the second highest total evaluation Provider may be contacted for negotiations. This process may continue until successful negotiations are achieved. However, the Town reserves the right to terminate negotiations with any Provider should it be in the Town's best interest. The Town reserves the right to reject any and all bids submitted.

Questions Regarding Specifications or Proposal Process

To ensure fair consideration for all providers, the Town prohibits communication to or with any department director, division manager, or employee during the submission process with the exception of those questions relative to interpretation of specifications or the proposal process. Such communications initiated by a provider may be grounds for disqualifying the offending provider from consideration for award of the proposal and /or any future proposal.

No interpretations of the meaning of the RFP documents will be made to any bidder orally. Every request for such interpretation shall be submitted via email with the subject line "Merchant Services Provider RFP Question" to hal.loflin@townofsmyrna.org. Questions to be given consideration must be received in writing prior to 10:00a.m. on Monday, March 19, 2018.

Any and all such interpretation will be answered and posted online for the proposers to review no later than 2:00 p.m. on Friday, March 23, 2018. Addendums to the RFP may occur and will be available at www.townofsmyrna.org. Providers are responsible for staying up to date on any addendums and should confirm that their bid is in compliance with any addendums prior to submitting their bid.

Additionally, the Town prohibits communications initiated by a proposer to the Town Official or employee evaluating or considering the proposals prior to the time an award decision has been made. Any communication between proposer and the Town will be initiated by the appropriate Town Official or employee in order to obtain information or clarification needed to develop a proper, accurate evaluation of the proposal. Such communications initiated by a proposer may be grounds for disqualifying the offending proposer from consideration for award of the proposal and/or any future proposal.

INSURANCE REQUIREMENTS

The Contractor shall purchase and maintain for the duration of the contract insurance against claims which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE

1. Workers Compensation

Workers Compensation insurance shall be in compliance with the Workers Compensation law of the State of Tennessee. Employers Liability is included with a minimum limit of \$500,000 per accident/per disease/per employee.

2. **Commercial General Liability**

Commercial General Liability insurance shall have a minimum limit per occurrence of \$1,000,000 and a minimum general aggregate of \$2,000,000.

3. **Automobile Liability**

Automobile Liability Insurance shall have a minimum combined single limit per occurrence of \$1,000,000. This insurance shall include third-party bodily injury and property damage liability for owned, hired and non-owned automobiles. It shall also include coverage for loading and unloading hazards.

4. **Cyber Risk Liability (Network Security/Privacy Liability or Technology Liability)**

Cyber Risk Liability shall be maintained to cover claims from real or alleged errors, omissions or negligent acts committed in the performance of professional services under this contract with limits of \$5,000,000. These limits may be met by a combination of primary and excess coverage.

5. **Commercial Crime**

Commercial Crime (including Employee Dishonesty) shall be maintained and have a minimum limit of \$2,000,000.

B. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to the Town of Smyrna. The Contractor shall be responsible for all deductibles and self-insured retentions.

C. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability and Automobile Liability Coverages

a. The Town, its elected and appointed officials, agents, employees and volunteers shall be named as an additional insured as regards negligence by the Agency.

b. The Agency's insurance shall be primary as respects the Town, its elected and appointed officials, agents, employees and volunteers. Any insurance or self-insurance maintained by the Town of Smyrna shall be excess and non-contributory of the Agency's insurance.

2. Workers Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the Town, its elected and appointed officials, agents, employees and volunteers for losses arising from work performed by the Contractor for the Town of Smyrna.

3. All Coverages

- a. Coverage shall not be canceled, suspended, or voided by either party (the Contractor or the insurer) or reduced in coverage or in limits except after 30 days written notice has been given to the Town of Smyrna. Ten-day written notice of cancellation is acceptable for non-payment of premium. Notifications shall comply with the standard cancellation provisions in the Contractor's policy.
- b. Neither the acceptance of the completed work nor the payment thereof shall release the Contractor from the obligations of the insurance requirements or indemnification agreement.
- c. The insurance companies issuing the policies shall have no recourse against the Town of Smyrna for payment of premiums or for assessments under any form of the policies.
- d. Replacement certificates, policies or endorsements shall be provided to the Town for any such insurance expiring prior to the completion of services.
- e. Any failure of the Contractor to comply with reporting provisions of the policy shall not affect coverage provided to the Town, its elected and appointed officials, agents, employees and volunteers.

D. ACCEPTABILITY OF INSURERS

All required insurance shall be provided by a company or companies licensed to conduct business in the State of Tennessee. All insurance shall be underwritten by insurers with an A.M. Best Company ratings of no less than an A.

E. VERIFICATION OF COVERAGE

The Contractor shall furnish the Town with Certificates of Insurance reflecting proof of required coverage. The Certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. **The Certificates are to be received and approved by the Town before work commences and upon any contract renewal thereafter.**

Upon failure of the Contractor to furnish, deliver and maintain such insurance as requested, this contract, at the election of the Town, may be suspended, discontinued or terminated. Failure of the Contractor to purchase and/or maintain any required insurance shall not relieve the Contractor from any liability or indemnification under the contract.

The Certificate of Insurance naming the "Town of Smyrna" as **Additional Insured** shall be addressed to the attention of:

Town of Smyrna
Department of Safety & Risk Management

ATTN: Kay Charles
315 S Lowry St
Smyrna, TN 37167

The Certificate of Insurance may also be submitted electronically to kay.charles@townofsmyrna.org.

The Town reserves the right to request complete certified copies of all required insurance policies at any time.

F. SUBCONTRACTORS

Agency shall include all subcontractors as insureds under its policies **OR** shall be responsible for verifying and maintaining the Certificates provided by each subcontractor. Subcontractors shall be subject to all of the requirements stated herein. The Town of Smyrna reserves the right to request copies of subcontractor's Certificates at any time.

G. WORKERS' COMPENSATION INDEMNITY

In the event the Contractor is not required to provide or is exempt from providing workers' compensation coverage, the parties hereby agree that the Contractor, its owners, agents and employees will have no cause of action against, and will not assert a claim against the Town of Smyrna, its elected and appointed officials, agents, employees and volunteers, under any circumstances. The parties also hereby agree that the Town of Smyrna, its elected and appointed officials, agents, employees and volunteers shall in no circumstance be, or considered as, the employer or statutory employer of the Contractor, its owners, agents and employees. The parties further agree that the Contractor is a wholly independent Contractor and is exclusively responsible for its employees, owners, and agents. Contractor hereby agrees to protect, defend, indemnify and hold the Town of Smyrna, its elected and appointed officials, agents, employees and volunteers harmless from any such assertion or claim that may arise from the performance of this contract.

HOLD HARMLESS AND INDEMNITY REQUIREMENT:

Contractor shall indemnify and hold harmless, to the maximum extent permitted by law, the Town of Smyrna and its officers, agents, employees, volunteers, from and against any and all liability, damages, losses, (whether in contract or in tort, including personal injury, accidental death or property damage, and regardless, of whether the allegations are false, fraudulent or groundless), and costs (including reasonable attorney's fees, litigation, arbitration, mediation, appeal expenses) which in whole or in part are caused by the negligence, recklessness or intentional wrongful misconduct of the Contractor and persons employed by or utilized by the Contractor in Contractor's performance of this Agreement.

The contractor further agrees to protect, defend, and save the Town, its elected and appointed officials, agents, employees and volunteers while working in the scope of their duties as such, harmless from and against all claims, demands, and causes of

action of any kind of character, including the cost of their defense, arising in favor of the contractor's employees or third parties on account of bodily or personal injuries, death or damage to property arising out of services performed or omissions of services or in any way resulting from the acts of omissions of the contractor and/or its agents, employees, subcontractors, representative of the Town under this agreement.

Pursuant to Tennessee Attorney General Opinion 93-01, the Town will not indemnify, defend or hold harmless in any fashion the Contractor from any claims arising from any failure, regardless of any language in any attachment or other document that the Contractor may provide.

APPLICABLE LAW: Any contract resulting from this RFP shall be governed by and construed under the laws of the State of Tennessee.

SCHEDULE OF FEES

Please type or print legible.

1. GATEWAY COSTS

Setup Fee _____

Monthly Fee _____

Transaction Fee _____

Other (list and use extra pages as necessary) _____

2. MERCHANT PROVIDER FEES

a. Card Present

Application Setup Transaction Fee _____

Discount Rate _____

Interchange Plus Rate _____

Credit Card _____

Debit Card Transaction with Pin _____

Proprietary Card Transaction _____

Address Verification _____

Chargeback Fee _____

Voice Authorization _____

Other (list and use extra pages as necessary) _____

b. Internet – card not present

Application Setup Transaction Fee _____

Discount Rate _____

| | |
|-----------------------------------------------|-------|
| Transaction Fee | _____ |
| Debit Card Transaction with Pin | _____ |
| Proprietary Card Transaction | _____ |
| Address Verification | _____ |
| Chargeback Fee | _____ |
| Voice Authorization | _____ |
| Other (list and use extra pages as necessary) | _____ |

It is assumed that the Town of Smyrna will be able to create ad hoc reports via the provider's on-line reporting system and that this service is priced on a monthly access basis.

It is assumed that some programming may be required during the term of this contract. Please provide the hourly programming rate, and also indicate if the Town of Smyrna will be charged for any contract start-up pricing.

Provider's Capacity to Perform

Based on the provider's response to this solicitation, please identify dedicated resources available for contract fulfillment (use extra pages as necessary):

1. Availability to perform – include any additional personnel or equipment / assets provider will acquire to complete contract performance: _____

2. Equipment and operational items – identify by quantity and type any equipment/assets allocated to contract performance: _____

3. Personnel – identify by quantity and category any personnel assigned to contract performance: _____

4. Other Resources – identify any other resources to be allocated to complete contract performance: _____



AGREEMENT

This Agreement is made and entered into as of this ____ day of _____, 201____, by and between _____, (the “Bidder”) and the Town of Smyrna, Tennessee, a Tennessee municipal corporation (the “Town”) for the purpose of _____.

WHEREAS, the Bidder has submitted a quotation for the provision of certain products and/or services to the Town, all in accordance with the terms of the Request for Proposals attached hereto and incorporated herein by reference as if set forth at length verbatim as Exhibit A (the “RFP”), and which Quotation from the Bidder is attached hereto and incorporated herein by reference as if set forth at length verbatim as Exhibit B (the “Quotation”); the RFP and the Quotation, together with any and all ancillary documents thereto, shall be collectively referred to herein as the “Bid Documents”); and

WHEREAS, the Town now desires to accept the Bidder’s quotation, in accordance with the terms set forth in such Bid Documents.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned do hereby agree as follows:

1. Acceptance of Bid Documents. The terms of the Bid Documents, as incorporated herein by reference, are hereby accepted by the parties hereto. The Bidder hereby agrees to provide the goods and/or services contemplated by such Bid Documents in accordance with the terms set forth therein. The Town hereby accepts the Bidder’s quotation to provide the goods and/or services contemplated by such Bid Documents in accordance with the terms set forth therein.

2. Entire Agreement. This Agreement, including the exhibits and any other documents referred to herein or therein, which form a part hereof, contains the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, warranties, covenants or undertakings other than those expressly set forth herein or therein. This Agreement supersedes all prior written or oral agreements and understandings between the parties with respect to its subject matter and may not be altered, modified or amended, in whole or in part, except by the express written authorization and consent of the parties hereto.

3. Severability. This agreement constitutes the product of negotiations of the parties hereto and any enforcement of hereof will be interpreted in a neutral manner and not more strongly against any party based upon the source of the draftsmanship of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall continue to be fully effective.

4. Limitation of Liability. The Town of Smyrna shall not be liable for any loss, claim, expense or damage caused by, contributed to by or arising out of the acts or omission of Bidder or third parties, whether negligent or otherwise.

5. Warranties. The Bidder warrants to the Town that all materials and equipment furnished under this Contract will be new unless otherwise specified, and that all work will be of good quality, free from faults and defects, suitable for the purpose for which the materials and equipment are furnished, and in conformance with the Agreement. All work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective.

6. Indemnification. The parties hereto agree that Vendor shall indemnify The Town for any and all claims of negligence, tortious conduct or otherwise unlawful acts committed by Vendor in the performance of their obligations under the terms of the original agreement or this addendum to agreement and Vendor agrees to pay any and all costs associated with the enforcement of the terms of this indemnity agreement by The Town, including but not limited to court costs, civil judgments, assessments or any other reasonable fees associated therewith. This clause shall survive the expiration or termination of the original contract or this addendum to agreement and shall remain in full force and effect until the expiration of any applicable statute of limitation. In addition, The Town is prohibited by Tennessee law, as a political subdivision of the State of Tennessee, to agree to indemnify any private or public Vendor or contracting party and all reference to the local government providing indemnification shall be null and void by attaching signature to this addendum.

7. Attorney Fees. The parties hereto agree that The Town shall be in no event liable for any attorney's fees which Vendor may incur due to breach of the original agreement or this addendum agreement by either party; and further, The Town shall not acquiesce to any term of the original contract/agreement that indicates or infers The Town may or shall be responsible for the fees of another party or the Vendor's attorney fees.

8. Mediation. The Town may, at its option, require the attempted resolution of any dispute arising under the original contract or this addendum to agreement by mediation prior to the filing of any lawsuit or other claim. Should any dispute arise, Vendor shall provide the Town notice of any intent to file suit by certified mail. The Town shall notify the Vendor of its intent to exercise its right to mediation within thirty (30) days of receiving such notice. If the Town does not exercise its right to mediation, Vendor may file suit. Any mediator selected under this clause shall be agreed upon by the parties and the costs of such mediation shall be divided and paid equally between the parties.

9. Governing Law. This Agreement shall be deemed to have been executed and delivered within the State of Tennessee, and the rights and obligations of the parties shall be construed and enforced in accordance with, and governed by, the laws of the State of Tennessee.

10. Applicable Law / Choice of Forum and Venue. The parties' choice of forum and venue shall be exclusively in the courts of Rutherford County, Tennessee. Any provision of the Agreement held to violate a law or regulation shall be deemed void, and all remaining provisions shall continue in force.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth above.

BIDDER:

By: _____

Title: _____

ATTEST:

TOWN OF SMYRNA, TENNESSEE

By: _____

Name: Mary Esther Reed

Title: Mayor

ATTEST:

Dianne Waldron, Town Clerk

SECTION VI - SPECIFICATION COMPLIANCE

Unless otherwise noted, all quotations for the merchant services provider shall be in complete accordance with the specifications detailed herein.

Proposers shall note in the space provided below any exceptions or deviations in any way from the specifications of any section of this RFP. Quotations should provide complete detail of exceptions or deviations.

Proposal Exceptions

| Section | Brief Description |
|---------|-------------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

By signature below, proposer acknowledges any submittal to be in full compliance with all aspects of each section of the RFP not noted above. The undersigned hereby declares that no person or party other than the undersigned has any interest whatever in this proposal, that it is without any connection or collusion with any person or persons making or having made any proposal for the same work and without any previous understanding with such person or persons as to relative prices, obviating competition, and that it is made in good faith.

COMPANY

FAX NUMBER

REPRESENTATIVE NAME & TITLE

TELEPHONE NUMBER

SIGNATURE

E-MAIL ADDRESS