

October 30, 2014



Robert Alford  
Office of State Controller  
3512 Bush Street  
Raleigh, NC 27609

Subject: Response to BAFO No. 14-008474

Dear Mr. Alford,

Thank you for the opportunity to respond to the Best and Final Offer (BAFO) for North Carolina Merchant Processing Services. SunTrust Merchant Services, a contractual agreement between First Data Merchant Services Corporation (FDMS) and SunTrust Bank, represents the best choice to meet your payment processing needs today, tomorrow, and into the future. We value you as a client and we look forward to expanding our relationship and service offerings across more agencies. We understand that the implementation fee previously charged for PayPoint start-up has deterred some agencies from utilizing the service. We hear you and we have addressed that issue. You will find in the attached BAFO that we have removed the implementation fee and, if selected as a result of this procurement, we are prepared to waive the fee for the remainder of the current contract period. This way you will have the opportunity to start actualizing that cost reduction and encourage participation to a single gateway.

As requested we have quoted our new prices without the quarterly administrative fee reimbursement to the State of \$.0025. In addition, we have reduced our transaction fee beyond the \$.0025 in order to demonstrate our commitment to the State and the importance we place on the relationship and growing your payment processing capabilities.

First Data welcomes the opportunity to discuss our proposal and this BAFO should there be any questions that may arise. If you have any questions, please do not hesitate to call Ms. Rhonda Kirk at 704-882-0441 or email her at [Rhonda.kirk@firstdata.com](mailto:Rhonda.kirk@firstdata.com).

Regards,

A handwritten signature in black ink, appearing to read "Jeffery D. Myers", with a long horizontal flourish extending to the right.

Jeffery D. Myers  
Senior Vice President and General Manager  
First Data Government

<b>STATE OF NORTH CAROLINA</b>  <b>Office of the State Controller</b>	<b>REQUEST FOR BEST AND FINAL OFFER (BAFO) 14-008474</b>	
	Offers will be received until: October 31, 2014	
Refer <u>ALL</u> Inquiries to: OSC Support Services  Telephone No. 919.707.0795		Issue Date: October 21, 2014  Commodity: 920 – Merchant Card Processing Services
E-Mail: OSC.secp.info@osc.nc.gov		Using Agency Name: Office of the State Controller
(See page 2 for mailing instructions.)		Agency Requisition No. N/A


**NOTICE TO VENDOR** Offers, subject to the conditions made a part hereof, will be received at this office, 3512 Bush Street, Raleigh NC, until 2:00 p.m. Eastern Standard Time on the day of opening and then opened, for furnishing and delivering the goods and services as described herein. Refer to page 2 for proper mailing instructions.

Bids submitted via facsimile (fax) machine in response to this Best and Final Offer (BAFO) will not be accepted. Bids are subject to rejection unless submitted on this form.

**EXECUTION**

In compliance with this Request for Best and Final Offers (BAFO), and subject to all the conditions herein, the undersigned offers and agrees to furnish and deliver any or all goods and services which are offered, at the prices agreed upon and within the time specified herein. Pursuant to GS § 147-33.100 and under penalty of perjury, the undersigned Vendor certifies that this offer has not been arrived at collusively or otherwise in violation of Federal or North Carolina law and this offer is made without prior understanding, agreement, or connection with any firm, corporation, or person submitting an offer for the same commodity, and is in all respects fair and without collusion or fraud.

**Failure to execute/sign offer prior to submittal shall render quote invalid. Late offers are not acceptable.**

VENDOR: <b>SunTrust Merchant Services</b>		E-MAIL: <b>Jeffery.Myers@firstdata.com</b>	
STREET ADDRESS: <b>5565 Glenridge Connector NE</b>		P.O. BOX: <b>N/A</b>	ZIP: <b>N/A</b>
CITY & STATE & ZIP: <b>Atlanta, GA 30342-4756</b>		TELEPHONE NUMBER: <b>(404) 890-2285</b>	TOLL FREE TEL. NO: <b>(800) 735-3362</b>
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING: <b>Jeffery D. Myers</b>		FAX NUMBER: <b>(800) 735-3362</b>	
AUTHORIZED SIGNATURE: 		DATE: <b>10/29/2014</b>	

Offer valid for forty-five (45) days from date of opening unless otherwise stated here: \_\_\_\_ days

**ACCEPTANCE OF BEST AND FINAL OFFER**

If the State accepts any or all parts of this offer, an authorized representative of the Office of the State Controller shall affix her/his signature to the Vendor's response to this Request for BAFO. The acceptance shall include the response to this BAFO, any provisions and requirements of the original RFP which have not been superseded by this BAFO and the North Carolina Information Technology Procurement Office General Terms and Conditions for Goods and Services, or however the terms are titled. These documents shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful Vendor(s).

<b><u>FOR OSC USE ONLY</u></b>  Offer accepted and contract awarded this <u>4<sup>th</sup></u> day of <u>December</u> , 2014, as indicated on attached certification, by <u>Linda Corbe</u> (Authorized representative of OSC).
--

**EXHIBIT F.1: Vendor-Levied Fees Calculations BAFO 5 Year**

**North Carolina Office of the State Controller Merchant Card Processing Services**

**Cost Section I - Transaction Processing and Monthly Fees**

**Bidder Name:** Suntrust Merchant Services (FDC)

Assumed monthly volume (For Evaluation Purposes Only): - Credit Returns 1.2% of transactions.

		<u>Visa</u>	<u>MasterCard</u>	<u>Pin Debit</u>	<u>Discover</u>	<u>Amex</u>	<u>Total</u>	
Number Transactions	A	997,499	266,380	44,460	12,498	56,217	1,377,054	A
Dollar Volume	B	94,031,385	34,169,596	4,228,711	1,338,363	11,742,593	145,510,648	B

**Processing Fees:**

Rate per transaction:	C	0.015	0.015	0.015	0.015	0.015		C
Transaction Processing $D=A \times C$	D	\$14,962.49	\$3,995.70	\$666.90	\$187.47	\$843.26	\$20,655.81	D

(Adjust number of transactions by -1.2% if charged net of credits.)

**Monthly Fees:**

Assume 108 participants (chains), 1342 merchant numbers

List and describe		Rate	Per	Volume		Total	
Address Verifications	E	0.02	Verification	68,000		1,360	E
Chargebacks	F	9.75	Chargeback	100		975	F
Report Maintenance	G	0		1		0	G
Voice Authorization	H	0.25		500		125	H
Other (List Below in Item I)	I					0	I
<b>Total</b>	<b>J = E+F+G+H+I</b>					<b>\$2,460</b>	<b>J</b>

**Other Fees** (List Below in Item KK): K  K

**Total Vendor-levied Monthly Fees** L = D+J+K \$23,115.81 L

**Total Vendor-levied Annual Fees** M = L x 12 \$277,389.72 M

<b>II- Other Monthly Fees</b>	
For analyst used AVS (950 call): AVS (950 call) is \$.02 ; AVS (Card not present) \$.0075	
<b>Total Other Monthly Fees</b>	<b>(List Total In I Above)</b>

<b>KK - Other Fees Not Listed Elsewhere</b>	
<b>Total Other Fees</b>	<b>(List Total in Item K Above)</b>

**EXHIBIT F.1: Vendor-Levied Fees Calculations BAFO**

**North Carolina Office of the State Controller Merchant Card Processing Services**

**Cost Section II - Equipment and Supplies**

**Bidder Name:** Suntrust Merchant Services (FDC) incumbent

**Vendor must provide three equipment options:**

	Item	<sup>[1]</sup> Monthly Purchase Price	<sup>[2]</sup> Monthly Rental Price	<sup>[3]</sup> Monthly Lease Price	Lease Term in Months
<b>1</b>	<b>Terminals, Pin Pads, &amp; Acc.</b>	<b>Purchase Price</b>	<b>Rental/Month</b>	<b>Lease/Month</b>	
<b>2</b>	FD130 DUO WiFi Terminal & FD 35 Pin Pad	\$ 649	\$ 44.94	\$ 34.94	48
<b>3</b>	FD130 WiFi Terminal	499	34.94	29.94	48
<b>4</b>	FD200 WiFi Terminal	549	32.94	25.94	48
<b>5</b>	FD300 WiFi Terminal	549	32.94	25.94	48
<b>6</b>	FD400GT CDMA Terminal	739	34.94	29.94	48
<b>7</b>	FD35 Pin Pad with Countertop Stand	224	14.94	9.94	48
<b>8</b>	FD410 Terminal	729	54.94	49.94	48
<b>9</b>	Vx520 Terminal	499	34.94	29.94	48
<b>10</b>					
<b>11</b>	<b>Clover</b>	<b>Purchase Price</b>	<b>Rental/Month</b>	<b>Lease/Month</b>	
<b>12</b>	Clover with Cash Draw	\$ 824	\$ 99.00	\$ 79.00	36
<b>13</b>	Clover without Cash Draw	\$ 774	\$ 99.00	\$ 79.00	36
<b>14</b>					
<b>15</b>	<b>First Data Mobile Pay</b>				
<b>16</b>	<b>Standalone</b>	<b>Purchase Price</b>			
<b>17</b>	FD Mobile Pay Mobile MSR	\$ 19.95			
<b>18</b>	Monthly fee per TID	\$ 4.95			
<b>19</b>					
<b>20</b>	Supplies	No Charge			
<b>21</b>	Expense for Shipping Supplies	Actual Cost			
<b>22</b>					
<b>23</b>					
<b>24</b>					
<b>25</b>					

**If more than 25 equipment options, please use additional pages.**

- [1] Purchase is defined as equipment purchased for a one time cost. Equipment is owned by purchaser.**
- [2] Rental equipment costs are defined as equipment rented month to month with no agreement. Equipment may be turned in at any time with no penalty or cost.**
- [3] Lease equipment is defined as equipment leased for a pre-determined contract period of time for a set amount during the contract period.**

<b>PayPoint Fees</b>	<b>Amount</b>
GATEWAY FEES FOR CARD TRANSACTIONS	\$0.08/ transaction
GATEWAY FEES FOR ACH TRANSACTIONS	\$0.10/ transaction
CONSUMER PAYMENTS	\$.02/transaction
CONSUMER PAYMENTS SUMMARY PRESENTMENT	\$.02/transaction
ADMINISTRATION SITE PAYMENTS	\$.02/transaction
IMPLEMENTATION FEE	\$0/one-time
IVR MINUTES	\$.08/minute
ON-SITE TRAINING	\$2000
DEVELOPMENT SURCHARGE	\$200/hour/ one-time
PAYMENT EMAIL NOTIFICATION	\$.01/transaction
<b>Other Gateway Services</b>	
Global Gateway e4	\$0.0175/ transaction
Hosted Recurring Payments	\$0.05/ transaction
<b>Other Services</b>	
Alternative Payments	\$0.05
TransArmor	\$0.0075/ transaction

