



NIC Indiana
151 W Ohio Street, Suite 100
Indianapolis, IN, 46204
317-233-2010

May 26, 2021

Indiana Department of Administration
Procurement Division
402 West Washington Street, Room W468
Indianapolis, IN 46204

RE: Solicitation for Payment Processing Services, RFP 20-1351, 2.2 Transmittal Letter

Indiana Interactive, LLC (d.b.a. NIC Indiana), respectfully submits for consideration this response to the State of Indiana Request for Proposal (RFP) 20-1351 for "Payment Processing Services."

As required, NIC Indiana has addressed each item in RFP section 2.2 below.

2.2 TRANSMITTAL LETTER

The Transmittal Letter must address the following topics except those specifically identified as "optional."

2.2.1 Agreement with Requirement listed in Section 1

The Respondent must explicitly acknowledge understanding of the general information presented in Section 1 and agreement with any requirements/conditions listed in Section 1.

NIC Indiana understands, agrees to, and is in compliance with all of the requirements/conditions listed in Section 1.

2.2.2 Summary of Ability and Desire to Supply the Required Products or Services

The Transmittal Letter must briefly summarize the Respondent's ability to supply the requested products and/or services that meet the requirements defined in Section 2.4 of this RFP. The letter must also contain a statement indicating the Respondent's willingness to provide the requested products and/or services subject to the terms and conditions set forth in the RFP including, but not limited to, the State's mandatory contract clauses.

NIC Indiana is willing to provide the requested products and services subject to the terms and conditions set forth in the RFP, including acceptance of the State's mandatory contract terms detailed in Section 2.3.5 of the RFP. Since 1995, the NIC Indiana team has been committed to delivering value-added digital government and payment processing services that saves money and increase efficiencies for citizens, businesses, and the State of Indiana. As one of the current vendors responsible for payment processing services on behalf of the State, we are fully aware of the expertise and dedication necessary to secure, maintain and grow the State's payment processing capabilities. NIC Indiana is able and desires to continue providing the products and services requested within this RFP.

As a current provider, NIC Indiana delivers on each element of this solicitation for the State, and our established, Indianapolis-based team is in place and ready to deliver on this contract, if awarded. NIC Indiana is an operationally proven contractor for this solicitation who understands the intricacies of the State's payment processing program, delivers forward-thinking innovations, and is proposing a solution that meets or exceeds every requirement in this RFP. NIC Indiana has a deep understanding of the program requirements and has developed an operational model to support and sustain the future contract. We look forward to a continued long-term relationship with the State in support of this initiative.

NIC Indiana has carefully reviewed the Sample Contract contained in *Attachment B* of the RFP and the State of Indiana Additional Terms and Conditions in *Attachment B1*. In accordance with Sections 1.11 and 2.3.5 of the RFP, NIC Indiana has included proposed revisions to the Sample Contract, with an explanation about why the specific change is proposed. Also, as instructed, we have provided redlined versions of Attachment B and B1 as separate documents with our bid submission.

NIC Indiana understands that *Attachment B*, with any changes the State accepts, will be the base contract upon which the final contract is negotiated. NIC Indiana believes that, with some negotiated adjustments to the State's language in key areas, the State will continue to receive world-class payment services.

We welcome the opportunity to discuss these recommendations and any alternatives that the State believes may be in the best interest of the citizens of Indiana, if we are fortunate enough to be selected by the State.

As instructed in RFP Section 2.3.5 Contract Terms/Clauses, this transmittal letter provides "specific alternate wording" for the suggested changes to the clauses below. We are not, however, taking exception to the terms and conditions of the RFP listed in Section 1 or any of the mandatory contract terms listed in Section 2.3.5 Contract Terms/Clauses.

Comments and Proposed Alternate Wording

Sample Contract Section	Comments and Proposed Alternate Wording
Attachment B Sections 4: Access to Records and 7: Audits	<p><u>Comment:</u> Bidder understands and accepts the necessity of the State's right to inspect records and perform audits. Bidder proposes that any such audit or inspection shall be upon advance written notice and that the right to inspect records and conduct and audit be limited in frequency in order to ensure that these processes do not become burdensome.</p> <p><u>Proposed Additional Language:</u> In each section, add the following: "The [audit or access to records] shall be upon no less than 10 business days' advance written notice and shall be no more often than once per calendar year."</p>
Attachment B Section 11: Condition of Payment	<p><u>Comment:</u> Bidder understands and accepts that the State will solely and reasonably decide whether or not to accept the services delivered by the Contractor. Bidder proposes that such decision be based on a mutually-agreeable process based upon and objective, predictable measure such as whether or not the services met the warranted functionality.</p> <p><u>Proposed Alternate Language:</u> "All services provided by the Contractor under this Contract must be performed <u>in accordance with the functional specifications or other warranted functionality called for in the Contract</u> to the State's reasonable satisfaction, as determined at the <u>good faith</u> discretion of the undersigned State representative and in accordance with all applicable federal, state, local laws, ordinances, rules and regulations. The State shall not be required to pay for work found to be unsatisfactory <u>outside of this standard or otherwise</u>, inconsistent with this Contract, or performed in violation of any federal, state or local statute, ordinance, rule or regulation."</p>
Attachment B Section 13:	<p><u>Comment:</u> Bidder suggests that it not be required to allow a successor to interview and hire its employees. Bidder invests a great deal in the recruitment and training of its employees, who are wholly dedicated to Indiana digital</p>

Sample Contract Section	Comments and Proposed Alternate Wording
Continuity of Services	<p>government and payment services, and allowing its employees to transfer to a successor contractor that is likely a competitor of bidder prevents bidder from being able to protect its investment in one of its most important assets.</p> <p>Proposed Alternate Language: “C. The Contractor shall allow as many personnel as practicable and necessary to remain on the job to help the successor maintain the continuity and consistency of the services required by this Contract. The Contractor also shall disclose necessary personnel records and allow the successor to conduct on-site interviews with these employees. If selected employees are agreeable to the change, the Contractor shall release them at a mutually agreeable date and negotiate transfer of their earned fringe benefits to the successor.Reserved.”</p>
Attachment B Section 19: Employment Option	<p>Comment: Bidder invests a great deal in the recruitment and training of its employees and suggests the deletion of the clause in Section 19 as it prevents bidder from being able to protect its investment in one of its most important assets.</p> <p>Proposed Alternate Language: “19. Employment Option. If the State determines that it would be in the State’s best interest to hire an employee of the Contractor, the Contractor will release the selected employee from any non-competition agreements that may be in effect. This release will be at no cost to the State or the employee.”Reserved.</p>
Attachment B Section 20: Force Majeure	<p>Comment: Bidder proposes that a Force Majeure Event be any event outside of such party’s reasonable control and not just a natural disaster or a decree of governmental bodies. Including all causes outside of the reasonable control of the parties is market standard for this type of contract and is a commercially reasonable term.</p> <p>Proposed Alternate Language: “In the event that either party is unable to perform any of its obligations under this Contract or to enjoy any of its benefits because of <u>an occurrence outside of the reasonable control of the affected party, including but not limited to, a natural disaster, pandemic</u> or decrees of governmental bodies not the fault of the affected party (hereinafter referred to as a “Force Majeure Event”), the party who has been so affected shall immediately or as soon as is reasonably possible under the circumstances give notice to the other party and shall do everything possible to resume performance. Upon receipt of such notice, all <u>affected</u> obligations under this Contract shall be immediately suspended..”</p>
Attachment B Section 25: Independent Contractor; Workers’ Compensation Insurance	<p>Comment: Bidder proposes that the terms specify that the workers’ compensation and unemployment insurance be at the statutorily required limits to ensure that the Contractor carries those amounts. This would replace the requirement of the Contractor carrying “necessary” amounts of insurance, which is not necessarily a clear contractual requirement.</p> <p>Proposed Alternate Language: “25. Independent Contractor; Workers’ Compensation Insurance. ... The Contractor shall provide all necessary unemployment and workers’ compensation insurance for the Contractor’s employees <u>in an amount that meets the statutory requirements in each state of</u></p>

Sample Contract Section	Comments and Proposed Alternate Wording
	<p>employment, and shall provide the State with a Certificate of Insurance evidencing such coverage prior to starting work under this Contract.</p>
<p>Attachment B Sections 26 and 32:</p> <p>Indiana Veteran Owned Small Business Enterprise Compliance and Minority and Women’s Business Enterprises Compliance</p>	<p>Comment: Bidder seeks to clarify that the basis for the MBE/WBE/IVOSB payments excludes the interchange and merchant fees that are collected by the Contractor(s) but that no Contractor actually earns or keeps. To avoid any ambiguity in the calculation of the payments to subcontractor(s), Bidder suggests that below language be added to these sections of the contract to clarify the calculation of payments to any subcontractor(s) under these sections.</p> <p>Proposed Alternate Language: Add the following sentence at the end of each Sections 26 and 32: “The percent paid to the subcontractor(s) pursuant to this section, if any, will be calculated on the net revenue of the Contractor. Net revenue for this purpose equals all fees collected by the Contractor minus the actual amount of merchant and interchange fees remitted by the Contractor during the applicable period.”</p>
<p>Attachment B Section 28: Insurance</p>	<p>Comment: Bidder proposes the following changes to align the insurance terms with both the services covered by the solicitation and the eventual contract with the policies and terms that are available at commercially reasonable rates in the commercial insurance market. Some changes were made to reflect the terminology used by commercial insurers, such as the change in CGL limits from per person to per occurrence and in the aggregate. Additionally, Bidder proposes that the requested levels of insurance and limits will be extremely difficult to obtain and afford by all subcontractors, especially those disadvantaged businesses requested by the State and proposed to be utilized by the Bidder. Furthermore, Bidder has removed the fiduciary liability and valuable papers coverage as not applicable. Bidder does not believe that bonds are required by law for this opportunity, nor did Bidder notice a requirement under the RFP, so Bidder has also removed that section as not applicable. Bidder also combined the E&O policy with the Cyber Liability policy. Bidder has revised the notice of cancellation section to reflect that commercial insurers generally won’t agree to provide notice to parties other than the policy-holder. This notice obligation should be on the Contractor to notify the State. Lastly, the Bidder agrees that its duty to indemnify the State is not limited by the types and amounts of insurance held by the Contractor, however, it has proposed changes to that requirement because the indemnification obligation of the Contractor is elsewhere in the Contract.</p> <p>Proposed Alternate Language: “. 28. Insurance.</p> <p>A. The Contractor and its subcontractors (if any) shall endeavor to secure and keep in force during the term of this Contract the following insurance coverages (if applicable) to the extent available at commercially affordable rates and on commercially reasonable terms covering the Contractor for any and all claims of any natureits liability which may in any mannerarises out of or results from Contractor’s performance under this Contract:</p> <p>1. Commercial general liability, including contractual coverage, and products or completed operations coverage (if applicable), with minimum liabilitypolicy limits not less thanof \$1,000,000 700,000 per</p>

Sample Contract Section	Comments and Proposed Alternate Wording
	<p>occurrenceperson and \$5,000,000 per occurrence unless additional coverage is required by the State<u>in the aggregate</u>. The State is to be named<u>included</u> as an additional insured on a primary, non-contributory basis for any<u>the Contractor's</u> liability arising directly or indirectly under or in connection with this Contract. <u>The CGL limits may be met by a combination of the CGL policy and an Umbrella or Excess Liability policy.</u></p> <p>2. Automobile liability for owned, non-owned and hired autos with minimum liability<u>a policy</u> limits not less than of \$700,000<u>1,000,000</u> per person and \$5,000,000 per occurrence<u>combined single limit per accident for bodily injury and property damage</u>. The State is to be named<u>included</u> as an additional insured on a primary, non-contributory basis.</p> <p>3. <u>Technology</u> Errors and Omissions <u>or Cyber</u> liability with a minimum liability limits of \$1<u>5</u>,000,000 per claim and in the aggregate. Coverage for the benefit of the State shall continue for a period of two (2) years after the date of service provided under this Contract.</p> <p>4. Fiduciary liability if the Contractor is responsible for the management and oversight of various employee benefit plans and programs such as pensions, profit sharing and savings, among others with limits no less than \$700,000 per cause of action and \$5,000,000 in the aggregate<u>Intentionally omitted.</u></p> <p>5. Valuable Papers coverage, if applicable, with an Inland Marine Policy Insurance with limits<u>Intentionally omitted</u> sufficient to pay for the re-creation and reconstruction of such records.</p> <p>6. Surety or Fidelity Bond(s) if required by statute or by the agency.<u>Intentionally omitted.</u></p> <p>7. Intentionally omitted Cyber Liability if requested by the State addressing risks associated with electronic transmissions, the internet, networks and informational assets, and having limits of no less than \$700,000 per occurrence and \$5,000,000 in the aggregate.</p> <p>The Contractor shall provide proof of such insurance coverage by tendering to the undersigned State representative a certificate of insurance prior to the commencement of this Contract and proof of workers' compensation coverage meeting all statutory requirements of IC § 22-3-2. In addition, proof of an "all states endorsement" covering claims occurring outside the State is required if any of the services provided under this Contract involve work outside of Indiana.</p> <p>B. The Contractor's insurance coverage must meet the following additional requirements:</p>

Sample Contract Section	Comments and Proposed Alternate Wording
	<ol style="list-style-type: none"> 1. The insurer must have a certificate of authority or other appropriate authorization to operate in the state in which the policy was issued. 2. Any deductible or self-insured retention amount or other similar obligation under the insurance policies shall be the sole obligation of the Contractor. 3. The State will be defended, indemnified and held harmless to the full extent of any coverage actually secured by the Contractor in excess of the minimum requirements set forth above. The duty <u>of the Contractor</u> to indemnify the State <u>as required elsewhere</u> under this Contract shall not be limited by the insurance required in this Contract. 4. <u>Contractor shall not cancel or cause the</u> The insurance required in this Contract <u>to be in breach of these requirements, through a policy or endorsement(s), shall include a provision that the policy and endorsements may not be canceled or modified</u> without <u>Contractor providing</u> thirty (30) days' prior written notice to the undersigned State agency <u>(10 days for non-payment of premium)</u>. 5. The Contractor waives and agrees to require their insurer to waive their rights of subrogation against the State of Indiana <u>for claims that arise out of the Contractor under the CGL and Automobile policies, except to the extent that the damage or loss was caused by the State.</u> <p>C. Failure to provide insurance as required in this Contract may be deemed a material breach of contract entitling the State to immediately terminate this Contract <u>after the notice and cure period provided for herein</u>. The Contractor shall furnish a certificate of insurance and all endorsements to the State before the commencement of this Contract.</p>
Attachment B Section 29: Key Person(s)	<p>Comment: Bidder is committed to providing exceptional service to the State and part of that is the exceptional work done by its employees, including Key Persons. Bidder proposes that it is commercially reasonable for the Contractor to be able to replace any Key Person with someone that is reasonably acceptable to the State. There are a number of reasons that a Key Person may leave their employment with the Contractor that are out of the Contractor's control.</p> <p>Proposed Alternate Language: "A. If both parties have designated that certain individual(s) are essential to the services offered, the parties agree that should such individual(s) leave their employment during the term of this Contract for whatever reason, the State <u>Contractor</u> shall have the right to terminate this Contract upon thirty (30) days' prior written notice <u>promptly replace such key person with an individual that is reasonably acceptable to the State.</u>"</p>
Attachment B Section 46:	<p>Comment: Bidder proposes the following revisions to the termination for default section to clarify that such a termination right would vest in the event of an uncured material default.</p>

Sample Contract Section	Comments and Proposed Alternate Wording
Termination for Default	<p>Proposed Alternate Language: “A. With the provision of thirty (30) days’ notice to the Contractor, the State may terminate this Contract in whole or in part if the Contractor fails to:</p> <ol style="list-style-type: none"> 1. Correct or cure any breach of this Contract; the time to correct or cure the breach may be extended beyond thirty (30) days if the State determines progress is being made and the extension is agreed to by the parties; 2. Deliver the supplies or materially perform the services within the time specified in this Contract or any extension; or 3. Make progress so as to endanger performance of this Contract; or 4. Materially Pperform any of the other provisions of this Contract. <p>B. If the State terminates this Contract in whole or in part <u>for an uncured default</u>, it may acquire, under the terms and in the manner the State considers appropriate, supplies or services similar to those terminated, and the Contractor will be liable to the State for any excess costs for those supplies or services. However, the Contractor shall continue the work not terminated.”</p>
Attachment B1 Section 5: Responsibilities Regarding Data Breach	<p>Comment: Bidder proposes that the Contractor and state mutually determine the methods and scope of the processes and protections required to be utilized by the parties.</p> <p>Proposed Alternate Language: “b. Unless stipulated otherwise in the Statement of Work , if a Data Breach is a result of the contractor’s breach of its contractual obligation to encrypt Data or otherwise prevent its release as reasonably determined by the State <u>as mutually agreed by the Parties</u>, the contractor shall bear the costs associated with: (1) the investigation and resolution of the Data Breach; (2) notifications to individuals, regulators, or others required by federal and/or state law, or as otherwise agreed to in the Statement of Work; (3) a credit monitoring service required by federal and/or state law, or as otherwise agreed to in the Statement of Work; (4) a website or a toll-free number and call center for affected individuals required by federal and/or state law — all of which shall not amount to less than the average per-record per-person cost calculated for data breaches in the United States (in, for example, the most recent Cost of Data Breach Study: Global Analysis published by the Ponemon Institute at the time of the Data Breach); and (5) complete all corrective actions as reasonably determined by contractor based on root cause and on advice received from the Indiana Office of Technology. If the Data involved in the Data Breach involves protected health information, personally identifying information, social security numbers, or otherwise confidential information, other sections of this contract may apply. The requirements discussed in those sections must be met in addition to the requirements of this section. ”</p>

NIC Indiana proposes the following additional contract clauses. We look forward to discussing with the State why this clause is an important part of this contract.

Requested Provisions for Inclusion in Contract	Comments and Proposed Wording
Limitation of Liability	<p><u>Comment:</u> Bidder suggests that there be a limitation of liability capped at the preceding 12 months’ net revenue received by the Contractor as well as a limitation on the types of damages. This type of limitation of liability falls within the range of market terms found in other similar contracts and it helps to tie potential risk to actual revenues received.</p> <p><u>Proposed Wording:</u> “NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, EACH PARTY’S AGGREGATE LIABILITY UNDER THIS CONTRACT SHALL NOT EXCEED THE TOTAL NET REVENUE (TOTAL REVENUE LESS MERCHANT AND INTERCHANGE FEES) RECEIVED BY THE CONTRACTOR DURING THE IMMEDIATELY PRECEDING 12-MONTH PERIOD ASSOCIATED WITH THE CONTRACT. UNLESS OTHERWISE PROVIDED IN APPLICABLE LAW, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE.”</p>
Contractor Owned Intellectual Property	<p><u>Comment:</u> Bidder has proposed its SaaS services and pre-existing intellectual property as part of the proposed solutions, which would provide the State with a cost-effective and robust suite of software solutions for processing payments. NIC proposes to add a clause to include IP ownership and license language to match the SaaS solution.</p> <p><u>Proposed Wording:</u></p> <p>“Contractor-Owned Intellectual Property. Notwithstanding anything to the contrary in this Contract, Contractor’s Software-as-a-Service (the “Software Service”) solutions provided under this contract are the exclusive intellectual property of the Contractor. All intellectual property, materials, information, documents, reports whether finished, unfinished, or drafted, developed, prepared or completed by Contractor that is related to the SaaS solution, including, but not limited to Contractor’s payment processing platform, AppEngine, Gov2Go®, OntheGo® Pay, Prompt Pay, The Payment Engine (TPE®), Common Checkout Platform and derivative works or plug-ins of any of the foregoing. The Contractor’s rights in this Section shall survive the termination of the Agreement. The Contractor-Owned Intellectual Property will be provided using Contractor’s proprietary software, APIs, processes, user interfaces, know-how, techniques, designs, ideas, concepts, manuals and other tangible or intangible materials or information (“Contractor Technology”). As between the parties, Contractor alone (and its licensors, where applicable) own all right, title, and interest, in and to the Software Service, and Contractor Technology, or any suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by State or any other party relating to the Software Service. State will not copy, distribute, reproduce, or use any of the foregoing except as expressly permitted under the Contract. All</p>

Requested Provisions for Inclusion in Contract	Comments and Proposed Wording
	<p>rights in the Contractor Technology not expressly granted to the State are reserved by Contractor and its licensors.</p> <p>License to Contractor-Owned Intellectual Property.</p> <p>In exchange for the State’s agreement to pay Contractor in accordance with the term of this Contract and any applicable Statement of Work and rates set forth in Attachment D, Contractor agrees to provide the State with a limited, non-exclusive license for the Term of this Contract to use and receive the benefit of the Software Service in connection with the Contractor providing the services called for in the Contract and applicable statements of work.</p> <p>The State is solely responsible for (i) providing and maintaining the hardware and software necessary to remotely access and use the Software Service; (ii) using frequently updated, industry standard virus and malware protection software to prevent the introduction of viruses and other malware into the Software Service from the State’s network or hardware; (iii) identifying and preventing any unauthorized access to, use of, or disclosure of the Software Service or any content on the Software Service by advising Contractor promptly, but in no event more than two business days after the State learns of such access, use or disclosure.</p> <p>The State shall not (and shall not permit others to) (i) modify or interfere with the Software Service or the Contractor Technology; (ii) reverse engineer, decompile, or attempt to discover the source code of the Software Service, or the Contractor Technology; or (iii) resell or otherwise use the Software Service for any purpose other than its own internal business purposes.</p> <p>Contractor acknowledges that as between the parties, the State controls the means and uses of data put into the Software Service by the State or an end user (“State Data”); <i>provided, however</i>, that the State grants Contractor the right to use any and all State Data: (i) to perform its obligations described in the Contract, (ii) for back-up or testing purposes, and (iii) to the extent permitted by applicable law, in blinded, de-identified or aggregated form for the purpose of data analysis, compilation, interpretation, study, reporting, publishing, improvement of the Software Service, and product and service development.</p> <p>State is responsible for maintaining the security of all access credentials granted to it, for the security of its information systems used to access the Software Service, and for its end users’ use of the Software Service. State is responsible for all activities conducted under its login credentials. Contractor has the right at any time to terminate or suspend access to any user if Contractor reasonably believes that such termination or suspension is necessary to preserve the security, integrity, or accessibility of the Software Service, any State Data, Contractor, or Contractor's other customers.”</p>
Confidentiality of Contractor Information	<p>Comment: Bidder proposes that, to the extent allowed by public records laws, the Contractor’s confidential information be contractually protected in order to facilitate the free flow of information between the parties. Bidder</p>

Requested Provisions for Inclusion in Contract	Comments and Proposed Wording
	<p>acknowledges the importance of both parties protecting sensitive information such as social security numbers and source code. Bidder suggests that neither party be liable for a disclosure of Confidential Information if such disclosure is required or allowed by law or if such disclosure was not caused by a party's negligence or willful misconduct. For instance, there should be no liability if one of the parties discloses a social security number to the State or law enforcement if such disclosure was authorized or required by law.</p> <p><u>Proposed Wording:</u> “Confidentiality of Contractor Information; Disclosure of Confidential Information</p> <p>A. The parties acknowledge that the services to be performed by Contractor for the State under this Contract may require or allow access to data, materials, and information containing Social Security numbers maintained by the State in its computer system or other records. In addition to the covenant made above in this section and pursuant to 10 IAC 5-3-1(4), the Contractor and the State agree to comply with the provisions of IC §4-1-10 and IC §4-1-11. If any Social Security number(s) is/are disclosed in violation of IC §4-1-10 and IC §4-1-11 by Contractor due to its negligence or willful misconduct, Contractor agrees to pay the cost of the notice of disclosure of a breach of the security of the system as required under IC §4-1-11 in addition to any other claims and expenses for which it is liable under the terms of this contract.”</p> <p>Also add the following language regarding Contractor confidential information: “B. Confidentiality of Contractor Information</p> <p>For the purposes of this paragraph 12.B., “confidential and proprietary information” shall include the following:</p> <ol style="list-style-type: none"> 1) All books, records, documents, and electronic files that pertain to the business or operation of the Contractor's company or that of its corporate parent, affiliates, or subsidiaries (as contrasted to the Contractor's services for the Payment Processing Services) unless the same are disclosed publicly by Contractor or its corporate parent, affiliates, or subsidiaries. 2) The Software. “Software” is defined as all software (including documentation, source code, object code, and updates) developed by Contractor, or one of its affiliates, and deployed for the Payment Processing Services contract (excluding third-party software and excluding Contractor Software-as-a-Service “SaaS” services, and any other services provided by an affiliate, which is owned by an affiliate, together with any software updates or upgrades made by Contractor under this Contract.

Requested Provisions for Inclusion in Contract	Comments and Proposed Wording
	<p>3) Any Contractor Trade Secret. "Trade Secret" is defined as information which derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertained through proper means by, other persons who can obtain economic value from its disclosure or use.</p> <p>State agrees not to disclose or produce for any purpose, including in response to a subpoena or other court or governmental order, without giving Contractor or its successors, assigns, parents or subsidiaries ten days' written notice and an opportunity to object to the disclosure or production, any of the Contractor's confidential or proprietary information, including that of Contractor's corporate parent, affiliates and subsidiaries (collectively referred to herein as the "Contractor's Confidential Information").</p> <p>With the exception of the Software and third-party software, which shall be automatically deemed confidential and proprietary information, when Contractor furnishes or discloses information deemed to be confidential or proprietary information, intangible form or verbally, it shall clearly mark or otherwise identify the information in a manner to indicate that it is considered by the Contractor to be confidential or proprietary information.</p> <p>Notwithstanding any of the foregoing, the parties acknowledge that Indiana's Access to Public Records Act, IC 5-14-3, controls disclosure of any public record as that term is defined in such Act. Any such other records subject to a request for disclosure under Indiana's Access to Public Records Act will be reviewed in light of the exemptions from disclosure and disclosed only as required by the Act. Subject to the foregoing, it shall not be a violation of the Contract for the Contractor or the State to make any disclosure which (i) it reasonably believes is required by law, including in response to a subpoena or other court or governmental order, (ii) required for the enforcement of this Contract, (iii) as necessary for a party to defend any claims brought against it or (iv) permitted by applicable law, including but not limited to Indiana Code. Unless prohibited by applicable law, the receiving party will give the disclosing ten days' written notice and an opportunity to object to any such disclosure or production, if practicable."</p>

2.2.3 Signature of Authorized Representative

A person authorized to commit the Respondent to its representations and who can certify that the information offered in the proposal meets all general conditions including the information requested in Section 2.3.4, must sign the Transmittal Letter. In the Transmittal Letter, please indicate the principal contact for the proposal along with an address, telephone and fax number as well as an e-mail address, if that contact is different than the individual authorized for signature.

As President and General Manager of NIC Indiana, I, Andrew Hoff, am authorized and pleased to offer this response as our commitment to provide the services as requested in this RFP and certify that the proposal meets all general conditions, including the information requested in Section 2.3.4, of the RFP. As required, my signature appears at the close of this letter.

NIC Indiana principal contact information:

Andrew Hoff
President/General Manager
Indiana Interactive, LLC (d.b.a. NIC Indiana)
151 W Ohio Street, Suite 100
Indianapolis, IN, 46204
(317) 234-0139 (telephone)
(317) 233-2011 (fax)
ahoff@egov.com

2.2.4 Respondent Notification

Unless otherwise indicated in the Transmittal Letter, Respondents will be notified via e-mail.

It is the Respondent's obligation to notify the Procurement Division of any changes in any address that may have occurred since the origination of this solicitation. The Procurement Division will not be held responsible for incorrect vendor/contractor/respondent addresses.

NIC Indiana agrees to be notified by the Procurement Division via email of any updates relating to this RFP. We will notify the Procurement Division of any changes in any address that may occur since the origination of this solicitation.

2.2.5 Confidential Information

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act (APRA), IC 5-14-3 et seq. (see section 1.15).

Provide the following information:

- *List all documents, or sections of documents, for which statutory exemption to the APRA is being claimed;*
- *Specify which statutory exception of APRA applies for each document, or section of the document;*
- *Provide a description explaining the manner in which the statutory exception to the APRA applies for each document or section of the document.*
- *Provide a separate redacted (for public release) version of the document.*

NIC Indiana has included the following documents in our proposal that we are claiming a statutory exemption to the APRA. We have provided an unredacted confidential and redacted version of each document to meet the RFP requirements for a separate redacted version of the document. For ease of identification, we have used the terms CONFIDENTIAL in the file name for each unredacted confidential document and REDACTED in the file name for the version of the document suitable for public release.

Document Marked Confidential	Explanation
E.4 CONFIDENTIAL Disaster Recovery Bus Continuity Plan	<p>NIC Indiana has included a copy of its disaster recovery plan as requested in Attachment E, Section 2.3.11.(a) and Attachment F, Section 2.4.7.16.</p> <p>NIC Indiana considers its disaster recovery plan documentation a Trade Secret as defined in IC 24-2-3-2. Records containing trade secrets are also excluded from public disclosure per Section 4.(a)(4) of IC 5-14-3-4.</p>
E.5 CONFIDENTIAL Defense-In-Depth Security Strategy	<p>NIC Indiana has included an overview of our Defense in Depth Security Strategy as requested in Attachment E, Section 2.3.11.(c) and Attachment F, Section 2.4.7.10.</p> <p>NIC Indiana considers its security program documentation a Trade Secret as defined in IC 24-2-3-2. Records containing trade secrets are also excluded from public disclosure per Section 4.(a)(4) of IC 5-14-3-4.</p>
F.1 CONFIDENTIAL CCP Integration Guide	<p>NIC Indiana has included a copy of its CCP Integration Guide as requested in Attachment F Section 2.4.2.4.</p> <p>NIC Indiana considers its system integration documentation a Trade Secret as defined in IC 24-2-3-2. Records containing trade secrets are also excluded from public disclosure per Section 4.(a)(4) of IC 5-14-3-4.</p>
F.2 CONFIDENTIAL CCP User Guide	<p>NIC Indiana has included a copy of its CCP User Guide as requested in Attachment F Section 2.4.2.5 and 2.4.4.3.</p> <p>NIC Indiana considers its user guide documentation a Trade Secret as defined in IC 24-2-3-2. Records containing trade secrets are also excluded from public disclosure per Section 4.(a)(4) of IC 5-14-3-4.</p>
F.6 CONFIDENTIAL Privacy Incident Response Plan	<p>NIC Indiana has included a copy of its privacy incident response plan in response to Attachment F, Section 2.4.7.13 that addresses the requirement in Attachment J1, item 1.(e).(x).</p> <p>NIC Indiana considers its privacy incident response plan documentation a Trade Secret as defined in IC 24-2-3-2. Records containing trade secrets are also excluded from public disclosure per Section 4.(a)(4) of IC 5-14-3-4.</p>

2.2.6 Other Information

This item is optional. Any other information the Respondent may wish to briefly summarize will be acceptable.

Long-Term Commitment to the State of Indiana

NIC Indiana is proud to be the Indiana long-term digital government services and secure payments partner and wants to earn the right to continue serving Indiana and its citizens. NIC Indiana has an exceptional track record delivering secure, flexible, PCI-compliant payment services for agencies across the State, as well as award winning, proven Indiana-centric digital government solutions. Our dedicated local digital government payments and services experts have planted deep community roots to support the needs of Indiana.

As an incumbent provider that has delivered every element of this RFP, NIC Indiana is uniquely positioned to deliver short-term and long-term value to the State. Our approach leverages our 26 years of experience delivering payment services and the digital government program to the State, and our solution

is guided by our unmatched understanding and proven ability to meet the specific technology needs, contractual intricacies, funding options, operational requirements, and staffing requests of Indiana's solicitation.

NIC Indiana's degree of Indiana-specific expertise is essential to meet the specific requirements of Indiana's solicitation and deliver all facets of the Indiana Payment Processing Services program that the state and its constituents expect. NIC Indiana knows first-hand that in order for the State's Payment Processing Services program to continue to flourish it requires in-depth understanding and experience of the contractual requirements, mature and secure payment platform technologies, and a corresponding, operational approach that ensures success through the resulting secondary procurement SOWs with State Entities. NIC Indiana is prepared to deliver on all of these critical aspects of the contract and is already doing so on behalf of the State of Indiana. NIC Indiana is proud of our large-scale, Indianapolis-based operation dedicated solely to the State. Our understanding of the State's requirements has allowed NIC Indiana to expand the State's Payment Processing Services and transform the digital government program, while also meeting the State's unique financial and operating needs.

DELIVERING ON THE STATE'S OBJECTIVES — BY THE NUMBERS —

NIC's Indianapolis-based team has served the Indiana statewide payment services and digital government programs exceptionally well — the NIC Indiana team has processed 78,266,478 transactions totaling \$9,811,795,978.33 for the State since 2013. Additionally, NIC Indiana has developed and continues to support 95 digital government services for the State, many already integrated with the proposed payment platform and providing secure transactions for the State and its citizens.

We are proud to say that NIC Indiana represents NIC's largest office and commitment to any state partner, and we currently work with hundreds of state and local Indiana government entities to provide payment and digital government solutions that touch nearly every citizen in the State. In 2020 alone, NIC Indiana delivered more than 132 digital government solutions, enabled nearly 1,368,000,000 page views of state applications and sites and securely processed \$128,142,554 eCommerce transactions on behalf of the State and its local governments.

With NIC Indiana, the State benefits by working with a proven provider that has delivered each element of this solicitation for the State and has a secure, flexible, modern payment system in place. Unlike other vendors that have to "learn as they go along" due to having little or no experience with Indiana, NIC Indiana's solution is based on 26 years of specialization with the State powered by a world-class payment platform and best practices from our parent company, NIC, which processed 400 million transactions worth \$24 billion on behalf of our government partners in 2020 alone.

Our Solution

As payment processing has evolved globally over the past 20 years, so has NIC's product offering. The power of NIC's payment processing services begins with the NIC Payment Platform which includes the NIC TPE® Payment Engine. As the foundation of the NIC Payment Platform, TPE® was built for one type of customer, NIC's government partners. From unique disbursement models, to real-time reporting requirements, to integration with a wide array of government and third-party products, TPE® allows NIC to exceed our partner's payment processing needs and expectations.

Leveraging a modular approach to its SaaS offering, NIC has several add-on products to TPE®. These products help to satisfy additional requirements for our partners while ensuring all transactions flow through TPE®. This singular 'transaction engine' provides consolidated reporting across all payment channels as well as roll-up reporting for each individual division, agency, or state or federal partner. And the reports are available in near real-time through a powerful reporting product provided to our partners.

Through the administrative interface, NIC staff are able to configure each service to the specifications requested. This includes specifying fee amounts, minimum and maximum dollar amounts, disbursement

rules, security features such as AVS and CVV, automatic duplicate prevention algorithms to prevent users from accidentally submitting a duplicate payment, and more.

Payment modules are updated or added on a frequent basis to support new requirements and innovations in the payment market. The following provides a look into some of NIC Payment Platform modules.

Product/Module	Description
Common Checkout Page (CCP)	NIC Indiana offers a fully customizable and skin-able interface called Common Checkout Pages. When your end-user selects to “Pay Now” they are transferred to NIC Indiana’s fully hosted, PCI compliant, e-commerce solution. The CCP interface integrates with the Transaction Processing Engine (TPE) for payment, funds management and reporting. A new feature of this product allows the payment pages to appear “in-context” of the agency application, improving the user experience as the entire transaction occurs within the agency application rather than being redirected to another URL.
Over-the-Counter (OTC)	NIC Indiana’s Over-the-Counter solution is a highly configurable web-based cashiering system created specifically for government to process credit, debit and eCheck (ACH) payments in person. NIC Indiana’s OTC utilizes secure devices for swipe and EMV chip acceptance and is integrated with the Transaction Processing Engine (TPE) to provide real-time reporting and financial transparency throughout the full payment lifecycle.
OntheGo® (OtG) Pay	Take credit card payments securely anywhere, anytime with OntheGo Pay. Created specifically for government, OntheGo is NIC Indiana’s PCI-compliant native (AppStore & Google Play) mobile application built for taking payments in the field, at conferences and events, or whenever you need to collect funds outside the office. OntheGo accepts payment via optional card reader and securely stores the information when outside cell or Wi-Fi range. Encrypted, stored transactions, are processed when the payment device is back within service range.
Gov2Go®	Gov2Go is the nation’s first personal assistant for government and was designed to provide citizens with access to their government services where and when they need it – at home or on the go. Gov2Go has more than 3 million users across the nation because it is the most convenient way to interact with the government. Along with some national services, Gov2Go currently works with 16 states and countless localities to deliver services like vehicle tag renewals, property taxes, park permits, and professional licenses. With features like one-click payments, shopping carts to complete multiple government transactions at once, personalized deadline reminders, and single sign-on with existing state credentials, Gov2Go helps make sure agencies are collecting fees on time and with ease.
Prompt Pay	Prompt Pay allows government employees to send a prepopulated payment link by SMS text message and/or email to citizens, which eliminates over the phone or fax payment processing. Prompt Pay improves the secure handling of electronic payment information (PCI compliance), modernizing the user’s experience when interacting with government employees and reducing the workload of their customer service clerks.
AppEngine	NIC Indiana’s innovative product, AppEngine, is a "low-code" / “no-code” application development platform that allows IN.gov to build and host enterprise-class apps with little-to-no code and minimal investment. With the ability to integrate with third-party systems via API, AppEngine can provide robust and secure online services to any agency. The CCP product integrates seamlessly to ensure PCI compliance. In addition to accepting online submissions, partner agencies can login to view and manage data submitted, or even interact with the data via a secure API. AppEngine provides the ability for any government agency to receive electronic form submissions with payment at little or no-cost.

Product/Module	Description
Devices Client	Devices Client is a PCI-compliant proprietary NIC application designed to sit between point-of-sale applications (such as OTC or third-party agency applications) and credit card swipe devices. The client allows for the secure transmission of credit card data from the credit card swipe device to TPE and the point-of-sale application. The Devices Client allows an application to communicate to any supported point-of-sale device, allowing our customers the flexibility of device selection without requiring development updates to their application.

Proven, Results-Focused Expertise

Based on the requirements of the RFP, Indiana requires a versatile partner that can handle a broad range of enterprise payment services specific to government. Our dedicated, Indianapolis-based staff of professionals has a proven track record and can offer the state the following expertise:

- **Responsive, results-oriented solutions for state and local agencies** — NIC Indiana currently works with 176 state and local agencies, boards, and commissions, many of which require payment solutions from NIC Indiana. No other provider can match our track record in working in conjunction with Indiana state government to deliver value through a government-specific payment platform.
- **Mastery of the requested contract requirements** — NIC Indiana has worked with the state for 26 years to established business processes and development methodologies that ensure the successful execution of the SOWs resulting from the secondary competitive process. Should NIC Indiana be awarded this contract, the State will avoid the risk of transitioning many State Entities already using the NIC Payment Platform and replacing them with an untried partner.
- **Revenue generated / collected for the state** — NIC Indiana payment platform solution processed more than \$1 billion of Indiana's state funds in 2020 alone, and securely handle over 8.7 million transactions with the State. NIC Indiana's proposed solution successfully integrates the full range of payment processing requirements requested in this RFP.
- **Tenured and proven Indianapolis-based team** — Unlike other providers who don't commit to a locally based Indiana team, our team in Indianapolis brings more than 290 years of combined digital government experience working at NIC in supporting the needs of the State of Indiana and has a deep knowledge of what is required to successfully operate the State's payment platform through a secondary competitive process.
- **Registered Payment Facilitator** — Given NIC's success in the payment processing industry, NIC is a Registered Payment Facilitator and is listed on Visa's Global Registry of Service Providers. This allows much more control and flexibility that our partners have grown to expect, as well as it helps to satisfy compliance requirements for the role the State of Indiana is requesting. As a Payment Facilitator, NIC maintains master service agreements directly with Merchant Acquirers and Processors for payment processing services related to Credit/Debit or ACH transactions. This model enables NIC to provide a turn-key solution to our government partners for critical functions such as

DELIVERING ON INDIANA'S OBJECTIVES

In addition to the portfolio of 150+ services developed for Indiana, NIC Indiana has played a key role in innovative solutions for the State, such as:

NIC Payments Platform – The NIC Indiana team leans heavily on the NIC Payments Platform to deliver return on investment across the State of Indiana. In 2020, this single platform delivered immense value to the State by processing more than 8.7 million secure transactions and delivering more than \$1 billion safely and securely to government coffers.

NIC AppEngine – NIC also used our low-code platform to deliver vital services to the State during the pandemic. In 2020, NIC Indiana used this technology to digitize more than 20 government forms to make it easier for citizens and businesses to interact with government online. This was especially important when government offices were closed.

settlements, fund disbursements, service fee funding, operational management and simplifying the overall financial flow for credit/debit and ACH transactions.

Partnership Built on Success

Over the course of our partnership, NIC Indiana's purpose has been to provide a nimble, dedicated team in Indianapolis with relationships across state government that advances the State's Payment Processing Services and digital government program. NIC Indiana is completely focused on meeting the needs of our only customer, the State of Indiana. The existing, highly experienced NIC Indiana team is in-place, does not require a ramp-up period, and is ready to immediately deliver the scope of the RFP.

NIC Indiana has delivered nearly every element of this solicitation for the State through the current contract. Our record of success with the State is unparalleled and has resulted in the transformation of Payment Processing Services and online government services, significant expansion of the program to more state agencies, and adoption by the citizens and businesses of Indiana.

Eliminating Transition Risk

As a current provider, NIC Indiana is already uniquely positioned to provide a dedicated financial services team on the ground in Indianapolis who are acutely familiar with the proposed solution and bring deep Indiana roots and specific Indiana government domain expertise.

Should the State select NIC Indiana for award, a dedicated financial services team will assume implementation and operational responsibility for the contract and resulting SOWs with individual State Entities. Our proposed team of dedicated, experienced staff will eliminate disruptions to the user communities and the State. Additionally, all current payment platform services that NIC Indiana is working on will continue on course without any delay.

While a different vendor would be focused on creating a new organization and operational practices from scratch that meet the contract, NIC Indiana can focus our efforts on delivering world-class enterprise payment technologies to Indiana State Entities.

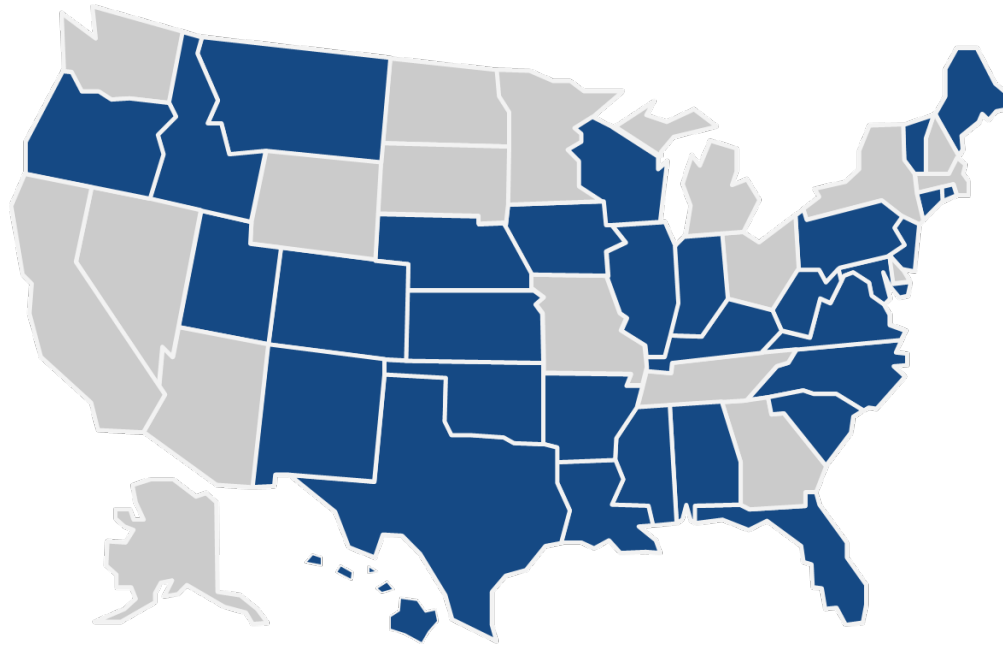
Leveraging the Strength of NIC

In a market defined by technological disruption and ever-shifting citizen demands, NIC has been a 29-year mainstay, focused on driving transformation for our government partners, delivering secure payment technologies to create government e-commerce ecosystems, providing efficiencies for agencies and citizens alike, and unlocking new opportunities to engage government. Over the past five years, NIC has made bold, strategic organizational and technological investments in market-leading products and platforms to continue to elevate our operations so that we deliver the best value and highest quality services to our only clients — our government partners.

NIC manages programs of similar size and scope to the State of Indiana's initiative across 15 federal government agencies, thousands of local governments, including within the following 32 states:

Alabama	Indiana	Montana	Rhode Island
Arkansas	Iowa	Nebraska	South Carolina
Colorado	Kansas	New Jersey	Texas
Connecticut	Kentucky	New Mexico	Utah
Florida	Louisiana	North Carolina	Vermont
Hawaii	Maine	Oklahoma	Virginia
Idaho	Maryland	Oregon	West Virginia
Illinois	Mississippi	Pennsylvania	Wisconsin

Many of these enterprise contracts mirror the scope, size, and volume expectations of the Indiana Payment Processing Services initiative, and NIC delivers these services through a mixture of contract vehicles, similar to this RFP.



On behalf of our dedicated NIC Indiana team, I would like to thank you for the opportunity to discuss our qualifications and look forward to continuing our successful partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Hoff".

Andrew Hoff
President / General Manager
Indiana Interactive, LLC (d.b.a. NIC Indiana)