**RFP 20-1351**

**TECHNICAL PROPOSAL**

**ATTACHMENT F**

**Instructions: Please supply all requested information in the areas shaded yellow and indicate any attachments that have been included to support your responses.**

* + 1. **General Requirements and Definitions**
       1. Please confirm your understanding and acceptance to all definitions and abbreviations listed in RFP Section 1.2. Please list any additional terms and definitions used by your company or industry that you would like the State to consider incorporating in the contract. The State will not accept terms and definitions introduced after award during contract finalization and implementation.

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| **Value Payment Systems understands and accepts the State's definitions and abbreviations, as listed in RFP Section 1.2. VPS would like the State to consider the following definitions:**   * **“*Third Party Fees*” means all taxes imposed by any governmental entity and Transaction Fees.** * **“*Transaction Fees*” means the charges levied by the Payment Networks for processing Payments, including interchange fees, assessments, authorization fees, risk fees, transmission fees and similar fees.** * ***“Assessments”* means charges levied by the Payment Networks that cover the operating costs of managing their network.** * ***“Near-Field Communication” (NFC)* means a set of communication protocols for communication between two electronic devices over a distance of four (4) cm or less.** * ***“Semi-Integrated”* means a point-of-sale platform in which integration with a cashiering or other system is required.** * ***“Web Services”* means a method of communication between two electronic devices over a network.** * ***“File Integration”* means source data and/or destination data is represented in a file (such as a CSV file) and can be passed between different databases without having to be directly connected to them.** * ***“Convenience Fee”* means a fee charged by a service provider when a consumer pays an amount owed to a merchant.** * ***“Merchant Fee”* means money charged by a merchant service to a vendor for processing credit card transactions, calculated as a percentage of each credit card sale.** * ***“Service Fee”* means either Convenience Fee or Merchant Fee, depending on the pricing model.** * ***“Flat File”* means the information sent from the state entity’s website describing the payees, accessed by the vendor to process payments via secure FTE exchange.** |

* + - 1. Please confirm you have carefully reviewed all requirements listed in RFP Section 1.4, Attachment J- Scope of Work and Attachment J1- Scope of Work-Security. Should your company have any exceptions, substitutions, or conditions for the State’s consideration, please list them below. The State will not accept exceptions, substitutions, or conditions introduced after award, during contract finalization and implementation.

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| **Value Payment Systems has carefully reviewed all requirements listed in RFP Section 1.4, Attachment J - Scope of Work and Attachment J1 - Scope of Work: Security, and wishes to provide the following exceptions.**  **Per Attachment J1 – Scope of Work: Security, 1.4.3.2(1)(b)(vii), “The Contractor shall be a PCI DSS and PA-DSS compliant service provider, and annually provide the State with a copy of its revalidation PCI DSS (or its successor) Compliance Letter and annual Report on Compliance.” VPS performs an annual PCI-DSS audit and will provide a PCI-DSS Attestation of Compliance. A service provider that provides its ROC to a merchant may be subjecting the receiving merchant and other customers it serves with unnecessary risk due to the sensitive nature of the information that may be contained in the documentation. VPS will provide the State of Indiana with no less information regarding its PCI-DSS audit compared to other government merchants.**  **Per Attachment J1 – Scope of Work: Security, 1.4.3.2(1)(g)(ii), “The Contractor shall provide the State with the Contractor’s and Subcontractor’s annual audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor.” VPS performs an annual SOC 2 Type II audit and will provide a SOC 3 report. Service Organizations Controls (“SOC”) 2 & 3 reports are examinations on a service organization's Trust Services Criteria (TSC) controls. The audit work that is performed for both SOC 2 and SOC 3 is essentially the same since both examinations are reporting on the company’s internal controls specific to the TSC, including security, availability, processing integrity, confidentiality, and privacy. The SOC 3 is a more widely distributable compliance report as it does not contain sensitive details.** |

* + - 1. Please confirm your understanding of the secondary competitive process as outlined in Attachment J- Scope of Work, Section 1.4.3 (Secondary Competitive Process). Please provide examples of mitigation strategies your company has implemented to help customers offset the operational and budget challenges associated with transitioning and integrating with a new payment processor. Please provide an example of an individual implementation plan and timeline your company has utilized in the successful transition of customers.

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| **VPS understands the Secondary Competitive Process, as outlined in Attachment J, Section 1.4.3.**  **VPS helps mitigate the operational and budget challenges associated with transitioning and integrating with a new payment processor by not charging for development or integration services. This is evidenced by our past performance and proposed pricing model.**  **As a core value, VPS has a commitment to implementation excellence; after being awarded our contract with the State of Indiana Department of Administration, we were tasked to convert and implement twelve (12) departments on an expedited six (6)-week schedule. VPS met all the timelines for expected live dates. Today we process payments with over 40 Indiana State applications. Our qualified and experienced team of in-house developers are readily available to deploy turnkey as well as fully customized payment solutions. In both cases, our experienced personnel and the platform structure are the key enablers to this performance.**  **Since 2019, VPS has partnered with the Indiana Department of Revenue (DOR) for Project NextDOR. The project goals are to upgrade and modernize the business processes and technologies within the DOR and implement a reliable and user-friendly modernized system for tax administration and collection. Payment of different tax types is being migrated to DOR’s Self-Service Portal, INTime.**  **This project required a detailed Scope of Work, including an ongoing four-phase rollout over four years with different requirements for different tax types. VPS is providing APIs and adhering to in-depth security requirements to protect sensitive tax data.**  **VPS looks forward to providing continuity of business services to the State of Indiana and continuing to provide market-leading development work at no cost to the State.** |

* + 1. **Service Overview and General Scope**
       1. Please describe your company's experience with state government fee structure-based credit card processing, specifically through web, IVR, and POS transactions.

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| **VPS provides payment processing products and services for more than 600 clients and 1,100 installations across over 40 states, including 14 State-level installations as well as the Internal Revenue Service (payusatax.com). We process more than $5 billion annually for clients at the federal, state, and local level. Services include web, mobile, IVR, call center, and POS transactions.**  **VPS has supported a Quantity Purchase Agreement (QPA) with IDOA on behalf of all State Entities since October 2012. Services provided to State Entities through this agreement include payment processing for web, mobile, IVR, call center (live agent), and POS (in-office) transactions, with fee model flexibility for the various State Entities. Entities can adopt either merchant funded or convenience fee funded models, allowing fees to remain as low as possible for State Entities and their constituents.**  **VPS’ convenience fee model provides the flexibility to charge a different convenience fee for various payments methods (e.g., credit cards, debit cards, e-checks, PayPal Credit, etc.) and/or payment products (e.g., consumer credit cards, business credit cards, consumer debit cards, etc.). This flexibility allows for lower prices to be charged for payment methods and/or products that have a lower underlying cost structure. This is important because the cost to process a Visa or Mastercard business credit card can be 10 times more expensive to process compared to a payment made using a regulated debit card.**  **An example, of the VPS platform pricing flexibility that is in place with the Indiana Motor Carrier Services is detailed below:**   * **Debit Card Convenience Fee ($3.75 > or = $100, $2.75 < $100)**   Example: a $1,000 payment using a debit card only cost a flat $3.75   * **Personal Credit Card Convenience Fee is 1.99% + $1.00**   Example: a $1,000 payment using a personal credit card costs $20.90   * **Corporate Credit Card Convenience Fee is 2.63% + $1.00**   Example: a $1,000 payment using a business credit card costs $27.30  **In supporting its 14 State-level installations, VPS has developed pricing methods to best match each use case. For example, in the State of Illinois, VPS provides tiered convenience fee rates for tax bills. For States adopting VPS’ ChildSupportBillPayTM hosted payment service, VPS offers a ‘No Cost to Government’ convenience fee funding model in which payers (Non-Custodial Parents “NCP”, employers, and other payers) can make payments through a wide variety of payment channels (e.g., web, mobile, IVR, POS and call center), allowing payment acceptance when and where it is convenient to the payer. VPS can configure the payment applications for validated or non-validated payments, depending on an Entity’s preference for authenticating an obligor prior to accepting a payment, and payers have the option to remit one-time, future-dated, and recurring payments through the hosted payment solution.**  **With this No Cost to Government funding model, VPS’ payment processing solution costs States and counties nothing to implement and nothing to operate. There are no monthly or transaction or service fees to the State, and a low convenience (service) fee is charged to the payer for utilizing the service. Hundreds of States and counties utilize this payment method today, including, but not limited to, California, Colorado, Hawaii, Illinois, Indiana, Kansas, Minnesota, Nebraska, New Jersey, North Dakota, Washington, and Wyoming.** |

* + - 1. The Contractor must provide its own Payment Processing Solution. The State prefers applications on the PCI Validated Payment Applications list (<https://www.pcisecuritystandards.org/assessors_and_solutions/payment_applications?agree=true> ). Please provide a detailed description of your payment processing solution.

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| **VPS is a technology-driven, integrated payment services provider utilizing its proprietary technology platform to make it easy, secure, and efficient for consumers to make, and government merchants to accept, payments electronically, resulting in better customer experience and financial management and more efficient processing of payments for the merchant.**  **VPS owns and operates its own proprietary payment platform and gateway, which allows for reliable, expedited integration with existing and new backend software providers. VPS’s proprietary gateway and associated product suites are replicable and scalable to meet any amount of customer growth and transaction amount. Our gateway scales to handle payments for low population towns and cities, all the way up to federal tax payments.**  **VPS maintains Level 1 PCI-DSS status and completes yearly attestations of compliance, and confirmation can be found by visiting: https://www.visa.com/splisting/. A copy of VPS’ PCI-DSS Attestation of Compliance is included in this response (“VPS\_PCI AOC\_July 2020”).** |

* + - 1. Please provide details on your ability to integrate with the State standard middleware products including, MuleSoft and other comparable products, to provide (or develop) an API solution for State connectivity. Include details on your experience with MuleSoft, or comparable middleware products.

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| **As one of the State’s current payment services providers, VPS has integrations with various critical software used by the State, including, but not limited to, Project NextDOR, INBiz, IN.GOV, UPLINK, and software by Amano McGann. VPS is currently in the process of working with INvest to interface with Indiana DCS’ new backend system.**  **VPS is experienced in integrating with our clients' software partners and has successfully integrated with more than fifty different software providers and in-house government platforms, including Thomson Reuters, Tyler Technologies, Software & Services, TaxAct, Intuit, and many more. We are confident our team of in-house developers will create a seamless and secure integration with any additional applications or data sources Indiana departments may require.  VPS can provide different levels of integration to meet various department software needs within the State Entity. The two applications are as follows:**   * **Hosted Checkout Service API – The API Service allows authorized clients, government, and software partners (“Partners”) the ability to integrate online payment services (Electronic Payments) into their software for payments. By providing this service, customers get immediate confirmation once their Electronic Payment is authorized and completed. The payment date will equal the date the payment was authorized offering customers peace of mind that their payment was made on time. This API is typically used by partners that do not want to collect, transmit or store cardholder information and be subject to PCI compliance requirements. All communication is done through HTTPS POSTs. Prior to implementation, the Partner will provide two URLs – one URL will be for VPS to post payment information and the other will be for VPS to redirect the payer after completion.** * **Gateway API – This API is used in rare cases where an existing Partner has a PCI-certified payment application used to collect payment data (i.e. cardholder information) and needs backend payment processing services only – without a VPS hosted payment application. Where needed by an agency, VPS will provide this API Specification and support.**   **VPS also has the ability to accept files on a daily basis through secure file transfer. VPS can receive files in a variety of formats including, but not limited to flat file - fixed field, flat file - comma delimited, NACHA CCD+, and custom formats are available at the State Entity's request. An email notification can be sent to the State Entity representative when the daily transmission file is ready.**  **VPS will host a secure FTP (SFTP) site on which the State Entity can place end user load files. The VPS standard method of data transmittal will be through the exchange of flat files via a secure FTP (SFTP) process, allowing the transfer of files between two sites using the Internet’s TCP/IP protocol. Utilizing SFTP, the State Entity and VPS will exchange files securely via the Internet or a private network (Extranet).**  **The VPS FTP will provide:**   * **Automated exchange of financial data** * **Safeguards against unauthorized access or manipulation of State Entity data** * **Cost-effective file transfer** * **Superior levels of service and support**   **Typical data exchanges by this method include End User Load Files (EULF) and Merchant Activity Files (MAF). Submitted by the State Entity, EULF will contain data for each account holder. Records typically include information such as customer name, account number, balance, etc. VPS will load this file on a daily basis allowing the State Entity’s payment application(s) to display proper account information to the State Entity’s customers.**  **As always, VPS is excited to work with the State to determine the best integration method for this and other use cases across the various State Agencies. To date and to the best of our knowledge, VPS has not encountered a State Entity SOW with business requirements that are not compatible with the capabilities of VPS’ payment products and services.** |

* + - 1. The Contractor must provide an integration guide for its SaaS, PCI DSS compliant interface solution. Please provide examples of integration guides that have been created to meet the needs of customer of similar scope and complexity to the State. Please provide examples across the different types of State integration needs such as API, POS, Web, Virtual Terminals.

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| **VPS has attached examples of Integration Guides, including for our Checkout API, Virtual Terminal, and Standalone Websites.**  **Where VPS provides hosted payment services with integration, we provide detailed specification documents (Hosted Checkout API and Gateway API) for State Entities to seamlessly integrate our payment services. These documents contain clear sample code and specifications and can be used anywhere State Entities (or their integrated software vendors) need payment services.**  **Currently, various Indiana State Entities, including the Department of Revenue (Project NextDOR) and the Secretary of State, Department of Workforce Development under the INBiz platform, leverage VPS’ Hosted Checkout API.** |

* + - 1. The Contractor must provide a user guide for its SaaS, PCI DSS compliant interface solution. Please provide examples of user guides that have been tailored to meet the needs of customers of similar scope and complexity to the State. Please also provide examples of existing established user guides. Please include details on required timing to provide a tailored user guide.

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| **VPS has attached examples of User Guides, including for our Bill Presentment, Online Reporting Tool, and a Quick Guide for Split Pay.**  **All training materials, including product user guides, will be provided according to the needs specified during the customer assurance/testing/ training phase of implementation.**  **Tailored user guides can be provided within 2 weeks by the VPS marketing team upon custom design document specifications.** |

* + - 1. The Contractor must provide a solution that provides the services and functions for validating, accepting and processing payments to include but not be limited to the types listed in Attachment J- Scope of Work Section 1.4.3.1.(1).(ii).(1) and Attachment K- State Entity User Requirements. Please include any special requirements or considerations needed for all services or functions listed, specifically holds and blocks. Please detail your current offering and describe your ability to meet all requirements listed.

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| **VPS currently provides payment processing services for over 40 State Entities, including more complex solutions such as NextDOR and INBiz. We are confident that our payment processing solutions can support the State’s requirements as outlined in Attachment J and Attachment K.**  **As requested in Attachment J, VPS can perform authorizations, holds (in the case of chargebacks/fraudulent payments), settlements, and full/partial refunds. VPS understands the importance of this level of flexibility in the State’s payment processing services. Details are included below:**  **Authorization**  **VPS will authorize all transactions in real time through our hosted payment channels and proprietary gateway to our payment processor and/or the payment networks for each payment method. VPS recommends AVS and CVV for credit and debit card authorization and anticipates adding 3-D Secure in 2021 to further enhance card authorizations and fraud prevention.**  **Holds**  **If a transaction is deemed suspect, we will request a copy of the invoice or signed sales draft so we can contact the cardholder’s bank and compare name and address information. We may hold those funds until we are confident that the transaction was agreed to by both the merchant and the cardholder. In the event the transaction is found to be fraudulent, we assist the merchant in preventing losses resulting from the transaction.**  **Settlements**  **VPS provides 24-48 hour settlement to client bank accounts. VPS' own proprietary gateway allows us to process transactions through the appropriate card organization and settle directly from the settlement bank to the State Entity’s designated bank account. The convenience fee is processed similarly and sent to VPS' existing bank account. More information on settlement can be found in Question 2.4.2.7.**  **Full/Partial Refunds**  **Indiana Department Managers can process full refunds at the device terminal and full or partial refunds via the VPS Online Reporting Tool. Partial refunds at the device terminal will be available this year via VPS’ new Tetra POS certification.**  **Blocks**  **VPS can set up a blocked payer file and allow the State Entity to manage any payers the State Entity desires to block from accepting a payment. The file can contain unique identifiers such as account number, and/or can block specific payment devices such as a credit card number or bank account and routing number. The blocked payer file can be set up to be managed by the State Entity, or payers can be added to the file by contacting their VPS Account Manager.**  **Additional Features**  **The VPS payment platform supports the setting of specific "business rules" that match State Entity payment rules and/or policies. VPS can set up payment parameters and restrictions in which a customer is not permitted to pay a partial payment, and customers must pay all fines or fees in their entirety, for example. State Entity customers with an account in a certain "status" can also have limitations set within the payment platform. These business rules, and more, can be defined by the State Entity and implemented at the payment type level.**  **Payment Methods**  **VPS’ current system can be configured to process the following payment methods, with new methods continuously being evaluated for inclusion:**   * **Visa (credit/debit)** * **Mastercard (credit/debit)** * **Discover (credit/debit)** * **American Express (credit/debit)** * **Secure Remote Commerce**   + **Visa Checkout**   + **Mastercard (Masterpass)**   + **Amex Express Checkout** * **PayPal** * **PayPal Credit** * **Venmo** * **Electronic Check (ACH) – with NACHA Web Debit Validation Rule, effective March 2021** * **PIN and PIN-less debit cards including STAR, NYCE, and Pulse networks** * **Prepaid cards such as rebate, gift, or tax refund debit cards** * **Retail cash payments via VanillaDirect by InComm**   **For more than a decade, VPS has been a leader in payment technologies within the government sector. Additional payment methods on VPS’ 2021 roadmap include Apple Pay, Google Pay, and cryptocurrencies.**  **VPS is continuously innovating with FinTech providers to develop payment methods (e.g., PayPal, Trustly, Bluefin, etc.) that would enhance the customer (payer) experience and allow for more effective and efficient payment services for our clients, as well as working with the payment networks and card Associations (Visa, Mastercard, American Express) to evaluate new and evolving payment products and services.** |

* + - 1. The Contractor shall process each transaction in real-time, unless otherwise agreed to, and in accordance with all requirements listed in Attachment J- Scope of Work Section 1.4.3.1.(1).(iii). Please detail your current offering and describe your ability to meet all requirements listed. Please include specific details regarding the batch and settlement processes. Do you have the capability to batch and settle debit and credit transactions together? What system, process, or reporting offerings enhance the efficiencies of the batch/settlement/deposit reconciliation process?

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| **VPS authorizes and processes all transactions in real time. All payment will be submitted for processing within twenty-four (24) hours of authorization. Payments will be submitted into the ACH (Automatic Clearing House) for processing and will be electronically deposited via ACH in the gross amount (in their entirety) directly into the State Entity’s designated bank account.**  **VPS provides 24-48 hour settlement to client bank accounts. VPS' own proprietary gateway allows us to process transactions through the appropriate card organization and settle directly from the settlement bank to the State Entity's designated bank account.  The convenience fee is processed similarly and sent to VPS' existing bank account.**  **VPS' processing system can either automatically close the daily batch at a designated time or allow the daily batch to be manually settled by State Entity staff. Additionally, VPS provides our clients with the flexibility to vary batch closing times by application or department.**    **VPS has the ability to modify the batch closing times per MID (Merchant ID). Most of our clients utilize the midnight to midnight (calendar day) batch time.**  **VPS provides a settlement file per the State Entity's format which matches the monies deposited daily. In addition, VPS provides a detail deposit report online that also matches the settlement file and monies deposited. Settlement amounts will appear on the bank statement as one lump sum. Monday activity is recorded and will appear as its own day, and Saturday and Sunday activity is combined into Friday activity.**  **Visa, Mastercard, Discover, and ATM/debit cards are settled in a single ACH/lump sum. In 2021, VPS will be migrating to a new settlement platform that will provide dynamic payout services to enable the settlement of American Express with the other card brands.**  **Settlement can be completed by ACH or Fedwire. Most VPS clients utilize the ACH settlement option.**  **Transactions can be cancelled or reversed by the State Entity via the Online Reporting Tool prior to batch settlement. In addition, VPS has controls in place to ensure that the State’s accounts are not debited for exceptions, such as chargebacks and adjustments.**  **All of these batch and settlement features ensure that your State Entities will be efficiently funded with accuracy and transparency.** |

* + - 1. Please provide details on the different options State Entities will have relative to signature capture during the transaction process. Please include samples where applicable.

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| **Currently, VPS does not provide signature capture services, as the major card brands have eliminated the requirement for signature at the point of sale. For example, Visa has determined that there is no reason to capture signatures on Visa transactions regardless of transaction amount, whether the card is chip enabled, or whether the POS terminal is chip enabled.**  **Below is an excerpt from the May 2020 Visa Business News Bulletin.**  “Visa urges acquirers and their agents to remind all merchants about these options to minimize merchant / customer interaction at the point of sale. Visa strongly recommends no longer requiring signatures for any transaction / amount.”  **VPS works closely and directly with the Card Associations including Visa and Mastercard on a weekly basis regarding new products, processes and/or rules/regulations regarding the government payment industry.** |

* + - 1. The Contractor must, at its own expense, ensure that all current applications processing payments must integrate with the Payment Processing Solution it is proposing as part of this RFP response. A listing of current applications can be found in Attachment K- State Entity User Requirements. Please confirm your understanding and describe your ability to fulfill this requirement.

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| **VPS can fulfill this requirement. We have successfully integrated with all applications the State has requested during our more than nine-year relationship. In that time, we have not failed to integrate with a State platform, and we have never charged for an integration.** |

* + - 1. Please describe your company’s abilities and offerings within APIs such as, but not limited to, lightboxes, customization, confirmations, validations, direct end user back to the State Entity site. Please provide examples from Contractor customers of similar scope and complexity to the State of Indiana.

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| **VPS' payment processing services can have branding included to match a State Entity’s identity. The State Entity's logo, colors, and overall branding will be maintained to provide a seamless interface and appearance for end-users.**  **VPS’ payment services and can also be embedded within the State Entity's current web site environment through technologies such as lightbox and iFrames. Embedded form fields are currently being evaluated by the VPS product team as a new technology for its checkout platform. The log-on form is presented within a lightbox, rather than a separate landing page. However, the lightbox maintains the ability for users to enter their user ID and password, as well as request a password reset if necessary.**  **Once a payment is completed, the VPS payment platform can redirect the payer to a webpage that is designated by the State Entity. VPS can also provide a series of biller branded web pages that are linked to the State Entity’s webpage to support online payments. VPS can provide various levels of integration to meet this requirement so that users have a consistent experience within any State Entity they are interacting with.** |

* + - 1. Please describe the mechanisms your company utilizes to stay at the forefront of the payment processing field in terms of different processing types and services offered. Please provide an example of the research, development and deployment undertaken by your company to integrate a new payment processing type with a customer. Please list any offerings currently available that are not required in this RFP.

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| **VPS is constantly working with the card associations (Visa, Mastercard, American Express) to evaluate new and evolving payment products and services, as well as working with new FinTech providers (e.g., Microbilt, Trustly, Bluefin, etc.) to evaluate payment methods that would enhance the customer (payer) experience and allow for more effective and efficient payment services for our clients. VPS also conducts periodic merchant surveys to evaluate product performance and new product needs. The latest survey resulted in an enhance emphasis on remote and contactless payment options for payers. The results from the most recent survey are detailed below.**  **Survey Question: If VPS offers additional payment methods, which ones would you consider adding to your existing products and services? Select all that apply.**    **As a result of the survey, VPS has added the following services and/or product development activities:**   * **Enhanced our sales and marketing efforts to address several services that are already part of the VPS payment platform. Note 9 of the 11 payment options are now available on the VPS platform (e.g., Pay with your Bank – Amex Move, PayPal, Venmo, PayPal Credit, etc.)** * **Added Apple Pay for the web to the VPS roadmap for a 2021 launch** * **Engaged Amazon regarding Amazon Pay** * **Added Retail Cash through VanillaDirect**   **Survey Question: If VPS offers additional value-added services, which ones would you consider adding to your existing products and services? Select all that apply.**    **As a result of the survey, VPS has added the following services and/or product development activities:**   * **Added NFC (contactless) payments to in-office POS terminals** * **Added Papaya Pay to address the “Scan & mobile pay”** * **Added call center representative capacity which now exceed 100 agents** * **Partnered with a VPS affiliate to provide “Mass escrow payments”** * **Partnered with a VPS affiliate to provide “Lockbox check processing”** * **Partnered with Rapid Financial and Fintanium to offer Disbursement payments** * **Evaluating QR Code payments with PayPal for in-office transactions** * **Evaluating Voice payments with Amazon Pay** * **Enhanced our sales and marketing efforts to address several services that are already part of the VPS payment platform (e.g., Split tender payments, IVR payments, additional transaction types, bill presentment, lockbox, etc.)**   **Customer Satisfaction**  **In the survey, VPS also asked its customers: “On a scale of 0 to 10, how likely are you to recommend Company X to a friend or colleague?”**  **Customers who score 9 or 10 are called ‘Promoters’, those who score 7 or 8 are ‘Passives’, and those who give a score of 6 or below are ‘Detractors’.**  **Responses to this question are scored to provide a “Net Promoter Score (NPS),” or a percentage of customers who would recommend the company.**  **NPS is calculated as:**  NPS= The % of Promoters MINUS the % of Detractors.  **Theoretically, companies can have a Net Promoter Score ranging from -100% to +100%.**  **A Net Promoter Score of +30% is truly excellent for B2B assessments and that means the company is seen as ‘Unique’ by their customers. A Net Promoter Score of around +10% is par for the course. Consider +10% to be an average NPS score for a B2B company.**  **VPS’ NPS is +45%, or around 15% above the average B2B assessment.**  **VPS’ industry experience, relationships with the card Associations and commitment to innovation, has resulted in VPS being a leader in payment technologies within the government sector for over a decade. Currently, we are the only known payment services provider for government that offers as many differentiating payment methods as possible for payers, including digital and mobile wallets, and cash payments with VanillaDirect by InComm. The ability to offer these additional payment methods increases payments by allowing payers to leverage the funding instruments and payment technologies they are using that may not be offered through traditional banking and processor payment products.**  **VPS' digital wallets include Amex Express Checkout, Amex Move, Masterpass by Mastercard, PayPal, PayPal Credit, Venmo and Visa Checkout. Apple Pay, Google Pay, and Samsung Pay are on VPS’ roadmap with projected implementation in Q4 2021.**  **Our Ingenico point-of-sale solutions are equipped to accept payment by EMV (contact and contactless), NFC (Apple Pay, Samsung Pay, Google Pay), and traditional Magstripe with a single card interaction, as well as PIN debit transactions.**  **Some of VPS' payment methods are highlighted below:**  **Currently, we are the only known payment services provider for government that offers as many differentiating payment methods as possible for payers. Our payment acceptance model includes traditional payment acceptance via credit cards, debit cards and e-check/ACH as well as emerging technologies such as digital wallets, alternative credit issuance solutions and cryptocurrency acceptance via PayPal wallet that will be launched this year. Our digital wallets include, but are not limited to, the recent launch of Secure Remote Commerce (SRC) as well as Visa Checkout, Masterpass, Amex Express Checkout, PayPal, and Venmo, with alternative credit issuance available through PayPal Credit and PayPal Pay in 4. Additional alternative payment methods that will be made available to the State of Indiana include, Cash Payments, Papaya Pay, Apple Pay, Google Pay, and Samsung Pay.**  **PayPal Credit and Pay in 4**  **VPS offers PayPal Credit to federal, state, and local government customers. If a constituent selects PayPal Credit at checkout, the payer can complete a quick application to get instant approval on a loan, which can be applied to their payment in real time. Loans are interest-free if paid in full in six months. PayPal Credit can be especially helpful for citizens who cannot pay their entire bill but want to avoid credit card late fees, and it ensures that the State still receives timely payment. A recent PayPal study indicates that a merchant will see a +15% to +17% increase in transactions when PayPal Credit is added and marketed as a payment method.**  **Benefits of PayPal Credit (PPC) during the pandemic:**   * **33% of PPC users would not have made their most recent purchase if PayPal Credit were not offered.** * **72% of PPC users agree they would rather spread the cost of a purchase over 6 months even if they had the ability to pay today.**   **VPS will work with State Agencies to determine if special offers or special discounted PPC rates can be provided to constituents to help the State collect revenue during key seasonal collection periods (e.g., income tax due dates).**  **Pay in 4 is available upon approval for purchases of $30 - $600. Pay in 4 allows a payer to split their payments in 4 – one every two weeks. It is interest free, has no impact on a payer’s credit score and is backed by PayPal.**  **Cryptocurrencies (Bitcoin, Litecoin, Bitcoin Cash, Ethereum)**  **One new innovative payment feature, which will continue to differentiate VPS’ payment services, is VPS’ upcoming ability to accept cryptocurrencies. Through its partnership with PayPal, without any development requirements or changes to their financial processes, VPS will enable U.S. consumers to use their cryptocurrency holdings to pay government merchants. PayPal accountholders who hold Bitcoin, Ethereum, Bitcoin Cash, and Litecoin in their PayPal wallet will be able to convert their holdings into fiat currencies during the checkout process when making a payment to government merchants. In essence, cryptocurrencies can be used in the same way as a credit card or a debit card within a PayPal wallet.**  **Cash Payments with VanillaDirect Pay by InComm**  **VPS offers our clients the ability to allow citizens to make cash payments at nearby retail locations. Through the VanillaDirect electronic cash transaction network by InComm, citizens can make cash payments at more than 60,000 retail locations including CVS Pharmacy, 7-Eleven, Walgreens, and Family Dollar. VPS makes it easy for citizens to pay in cash through retailers that are easy to find, safe, and already trusted by the cash-preferring customers of a State of Indiana Agency. Citizens can make payments 24/7 right in their neighborhood, without traveling to the State Agency offices or waiting in line, and the State Agency staff members can focus on priority initiatives that serve the State more effectively instead of spending time processing cash payments.**  **Papaya Pay**  **VPS has an exclusive relationship with a company called Papaya (https://papayapay.com/) for constituents to pay their bills remotely. Papaya Pay is a free (no additional cost), contactless mobile scan and pay app that allows a customer to snap a picture and pay their bill in seconds.**   * **Customers simply take a photo of their bills with their smartphones or import an image of a paperless bill, then pick their preferred payment method (debit card, credit card, bank account).** * **Papaya’s technology extracts the bill information and pushes the payment details over to VPS as the payment processor to make the payment.** * **Papaya can create an individual payment “bot” that will automate making a payment through our hosted payment pages. Currently, Papaya can feed payments to our IVR or web.** * **Papaya keeps the customer’s bill history all in one place. The customer can refer to Papaya’s app any time they need a bill receipt or proof of payment.** * **Papaya is secure and compliant. Personal information and payment data are encrypted and processed via PCI compliant methods.** * **Papaya usage has increased 39% during the pandemic due to people preferring “contactless” payment options.**   **Apple Pay, Google Pay, and Samsung Pay**  **VPS is constantly working with the payment networks and emerging payment methods to evaluate new and evolving payment products and services, as well as working with new FinTech providers to evaluate payment methods that would enhance the customer (payer) experience and allow for more effective and efficient payment services for our government clients. VPS will begin accepting Apple Pay, Google Pay, and Samsung Pay for POS payments in Q4 2021 after migrating to an Ingenico Tetra PCI and EMV Certified POS solutions.**  **Payment Disbursements**  **VPS also offers a custom payment disbursement solution in partnership with Fintainium for current government customers, providing quick and efficient refunds to customers. Fintainium’s fully customizable, real-time payment reporting capabilities allow for trackability, flexibility, and accountability.**  **VPS Disbursement Payments Key Benefits**   * **Easy-to-use Client Service Portal provides:**   + **Real-time knowledge of refund status**   + **Automation of multiple payment modalities and re-issuances**   + **Positive Pay for checks reducing fraud risk**   + **Outsourcing refunds allows client to focus on core service and solution offerings**   + **Refund tracking notifications simplify customer service and decrease inbound calls to client’s customer service representatives**   + **Fintainium team handles the full Escheatment process per organizational or jurisdictional requirements** * **Fast and Secure Funding**   + **With Rapid PayTM, payments are received in 30 minutes or less directly to the consumer’s Mastercard or Visa debit or credit card** * **Fully Accessible Multiple Payment Methods**   + **ACH and eChecks**   + **Debit and Credit cards via *Rapid PayTM***     - ***Enabling fast, simple, and efficient payout experiences with the scale and security of the Visa network***   + **Virtual cards**   + **Plastic cards**   + **Printable checks**   **The ability to offer and market these additional emerging payment methods though VPS increases payment volume collected. This is accomplished by allowing payers to leverage the funding instruments and payment technologies that they are used to using and/or provide financial flexibility. Many emerging payment methods may not be offered through traditional banking and processor payment products.** |

* + - 1. Please provide details and examples of Gift Card Program offerings your company has implemented for other governmental customers either statewide or for individual State Entities. Include implementation requirements and time frames with your response.

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| **VPS’ applications and systems will be able to process prepaid cards such as rebate, gift, or tax refund debit cards. VPS works with its processing partners (e.g., Worldpay, Rapid Financial and Fintainium) to offer turnkey Gift Card Programs.**  **VPS also offers a Custom Disbursement Solution in partnership with Fintainium for current government customers, providing quick and efficient refunds to customers. Fintainium’s fully customizable, real-time payment reporting capabilities allow for trackability, flexibility, and accountability. More details on VPS’ partnership with Fintainium can be found in Attachment E: Business Proposal, #2.3.1.** |

* + - 1. The Contractor must provide to interested agencies Point of Sale (POS) acceptance of swipe, key entry, and wireless pay for completing credit card transactions. The Contractor shall provide equipment and/or software, including terminals, EMV-capable integrated terminals, key pads or alternative devices necessary to process card transactions at the merchant/sales locations. Wireless, Mobile and Tablet POS equipment shall offer both wireless and cell signal functionality. Respondent shall offer POS equipment that is compatible across a variety of specific carriers (*e.g. Verizon or AT&T)* and/or be operational with specific generations of broadband cellular network technology. The Contractor shall have the ability to provide printers, ink, and paper upon request as necessary. POS equipment shall have the ability to process full or partial refunds at the terminal level through manager provided override or password functionality. All POS equipment shall have back up capabilities to process and retrieve transactions in the instance of events such as power loss or internet connectivity issues. Device ownership and maintenance is to be provided by the Contractor at no additional cost to the State. The Contractor’s Payment Processing Solution must have the ability to install and support Point-of-Sale Equipment Terminals in State-designated locations at no cost to the State. The State desires a Point-to-Point Encryption (P2PE) compliant solution. A list of P2PE solutions can be found on: https://www.pcisecuritystandards.org/assessors\_and\_solutions/point\_to\_point\_encryption\_solutions.

The State also desires PCI Approved PTS Devices. Please list name of devices being offered through this RFP as found on: <https://www.pcisecuritystandards.org/assessors_and_solutions/pin_transaction_devices>

Please describe your ability to meet these requirements. Please detail which specific carriers and broadband technology are supported by your POS equipment. Please include process details for terminal level refunds, including screen shots. Please describe the backup capabilities offered to process and retrieve transactions in the instance of events such as power loss or cellular/internet connectivity issues. Include details on the storage of and access to POS transaction data. How are transactions processed in the event of a cellular or wireless connectivity issue?

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| **VPS currently provides all the necessary equipment and software necessary for the processing of POS, in-person and/or in-office payments for 40 State Entities at no cost to the State. Per the attached pricing model, VPS is committed to continue to provide POS devices at no cost to the State. Should the State wish to utilize their own equipment and/or software currently in place, VPS can meet this requirement as well if the devices are processor compatible.**  **These equipment and software solutions cover point of sale (POS) and other in-office services including credit card terminals and/or virtual terminals card readers attached to the State's cashiering stations. Additionally, VPS has provided a solution to allow the State to operate in locations where telephone and internet service may be limited.**  **VPS will provide all hardware and software required for processing cardholder present transactions. Where transactions are processed in the convenience fee model, VPS utilizes Ingenico Tetra model hardware with a proprietary application to interact with the VPS hosted payment service, including EMV (contact and contactless), NFC (Apple Pay, Samsung Pay, Google Pay), and traditional Magstripe payment method acceptance.**  **PCI-compliant and EMV Certified, Ingenico Tetra model terminals are pre-programmed with proprietary software and will be made available to the State for in-office payment processing. The Tetra hardware line has solutions for standard desktop and mobile payments, and the VPS software is developed to be used on these different configurations. The hardware and software also support semi-integrated processing, where integration with a cashiering or other system is required.  Standalone terminals (Desk and Move series) can accept up to 50 payment types (permits, property taxes, fines, EMT services, utility payments, etc.), and thermal paper is the only supply that will need to be periodically replaced for ongoing terminal operation. This standalone terminal does not require connection to a PC; therefore, it can be used anywhere through an internet connection (wireless or wired ethernet).**  ***EMV Payment Processing*  VPS’ proprietary, patent pending, EMV payment application resides on the Ingenico Tetra hardware line. This point-of-sale solution is equipped to accept payment by EMV (contact and contactless), NFC (Apple Pay, Samsung Pay, Google Pay), and traditional Magstripe with a single card interaction.  The solution provides the following benefits for the State:**   * **Single “dip” of the card transaction processing (e.g., primary payment and a convenience fee (if applicable)). This processing methodology eliminates the need for “third party settlement” and** **cardholder charge confusion.** * **Improve security by eliminating sensitive data from the cashiering software.** * **Simplify EMV migration and PCI scope with our integrated solution (see below).** * **Seamlessly integrates with VPS’ gateway and e-payment platform.**   **“Quick Chip” Selected Benefits:**     * **Significantly reduces time of card in terminal as part of critical path, by eliminating dependencies, allowing for improved throughout.** * **Provides the same EMV level of security for online authorizations, including the cryptogram.** * **Improves consumer perceived throughput time (particularly important where the cardholder hands over their card to a clerk).** * **Lessens cardholder friction by reducing wait time for card removal, consequently also reducing the frequency of cardholders leaving their card behind in the terminal.**   **Semi-Integrated Platform Selected Benefits:**   * **Maintain complete control over the consumer checkout experience.** * **Simplify EMV migration and PCI scope with our Integrated solution.** * **Improve security by eliminating sensitive data from the POS.** * **Simplify PCI compliance by reducing the cardholder data environment.** * **Seamlessly integrate with VPS' gateway and e-payment platform.**   **Indiana Department Managers can process full refunds at the device terminal and full or partial refunds via the VPS Online Reporting Tool. Partial refunds at the device terminal will be available this year via VPS’ new Tetra POS certification.** |

* + - 1. The Contractor must make Virtual Terminals and Standalone Platforms available to interested agencies for completing payment processing transactions. Please describe your ability to meet these requirements.

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| **VPS currently provides Standalone Platform, Integrated Platforms, and Virtual Terminal solutions for in-office payments. Numerous State Entities leverage VPS’ Virtual Terminal capabilities and MagTek card readers that connect to the State Entities’ PCs to enable swiping of card data directly into the provided payment site to process card-present transactions. Other State Entities such as DNR utilize more than 100 VPS Standalone terminals for payments at State parks.**  **This customizable system mimics the Internet based web site(s) with the exception that VPS will provide integrated card readers to expedite the process for the clerk. VPS' Virtual Terminal system has the capability to assign permissions based on users’ role.**  **A user may connect via any type of internet access. The minimum internet browser and operating system requirements are:**     * **Internet Browser: Internet Explorer 9 or newer.** * **Operating System: Windows 7 or newer.**   **Additionally, VPS anticipates migrating to a Ingenico Tetra EMV Certified integration with the Virtual Terminal in 2021.** |

* + - 1. The Contractor shall provide routine and non-routine servicing and maintenance of POS equipment at each location on conditions and terms to be mutually agreeable to the Contractor and the State. The Contractor shall reprogram existing equipment to ensure compliance with any current State or federal laws or industry standards as well as any laws or standards that may be set forth at a future time. The Contractor shall provide technical support and troubleshooting help for the State’s existing and future equipment. The Contractor shall replace non-functioning or broken equipment, when applicable, and serve as the State’s advocate when handling equipment issues with the manufacturer. In the event of an equipment malfunction the Contractor shall repair or replace the malfunctioning equipment on-site within forty-eight (48) hours of receipt of notification from the State Entity. Please provide details of your company’s current process for monitoring, maintaining, and updating POS equipment and software. Please include notification procedures and communication requirements. Please include details on the process to return non-functioning or broken equipment at the Contractors expense.

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| **Within our current relationship with the State of Indiana, VPS provides routine and non-routine servicing and maintenance of POS equipment for numerous State Entities.**  **All maintenance, service, and repair of terminals and other equipment (e.g., pin pads) will be assigned to the VPS Client Support team. The support team has the ability to service terminals and equipment, and if necessary, escalate any product or equipment issues to VPS' product, development, and IT teams. Although most service inquiries and fixes can be performed remotely, VPS is committed to providing onsite service if necessary, to remedy the payment processing products and services.**  **If it is determined that defective units need to be shipped overnight for repair, VPS' support team will receive, service and return to the State Entity within a mutually agreed upon timeframe.**  **For the avoidance of doubt, VPS will continue to provide POS equipment at no cost to the State in a manner equal to or better than the processes currently in place under the existing QPA.** |

* + - 1. Contractor must accept responsibility for setting up, in its own name, merchant accounts for each application that requires and/or permits the collection of fees from State users, whether the application is developed by the Contractor, its Affiliates, or by a third party. The Contractor is responsible for all fees associated with merchant account maintenance and support as well as merchant fees for payment processing (to be invoiced to the State), collecting convenience fees and additional fees as requested by the State, chargebacks and all other transaction-related expenses, excluding statutory fees which will be reimbursed by the State if the Contractor receives a chargeback after payment. The Contractor's Payment Processing Solution must provide the ability to set up merchant accounts for each application that requires the collection of fees from State users. For each merchant account set-up, the Contractor must provide to the Payment Processor the transaction data required to complete the authorization and capture of credit card funds. Please provide a description of the approval process, including time frames and communication flow, for the setup of merchant accounts. Processes should be defined for both new account set up and account modification throughout the life of the contract. Please include an example of the documentation that will be supplied to IOT and the State Entity upon completion of each merchant account set-up instance. Please outline the expected deliverable timeframe for merchant account set up and delivery of the accompanying documentation. Please confirm your ability to meet these requirements including details on the number of merchant accounts managed at any single customer simultaneously.

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| **VPS is in the process of migrating in 2021 to operate under a PayFac (Payment Facilitator) model with our processor Worldpay. Under the PayFac model, VPS will be able to issue Merchant Identification Numbers (MID) within 24 hours of the execution of a State Entity’s SOW.**  **Current MID Issuance Process**  **The assigned account manager will work with the State Entity to establish the required merchant identification numbers to process all of the payment types requested, including adding or closing existing locations after initial setup. A unique Merchant Identification Number (MID) will be created by our payment processor, and each individual department and location will also have a subcategory number to efficiently monitor all payments processed within the State Entity.**  **The account manager will work with the State Entity administrator and the payment processor representative to establish the main administrative account. Once the account has been established the project manager will assist the State Entity in modifying user profiles accordingly based on needs. The administrative account created for the State Entity will have the ability to create, restrict, modify, and delete other user accounts permissions. The hierarchical structure of the reporting tool allows for breakdown of reports and access based by Departments, MIDs, and or locations.**  **Adding new merchant accounts is as simple as contacting your designated account manager who will communicate with our processor to provide the State Entity with new MIDs.**  **An example Merchant Setup Form has been provided as an attachment (“VPS Merchant Setup Form”).**  **VPS and our payment processor can set up a new Merchant ID number within 10 business days, as requested in the State’s Service Level Agreements. As referenced above, VPS is in the process of migrating in 2021 to operate under a PayFac (Payment Facilitator) model with our processor Worldpay. Under the PayFac model, VPS will be able to issue Merchant Identification Numbers (MID) within 24 hours of the execution of a State Entity’s SOW.**  **VPS offers a proven, simplified, and efficient no-cost managed convenience (service) fee model that allows the State Entity to receive the gross settlement of all payment transactions without the need to manage separate DDAs for the convenience fees. Under this model, the State Entity's liability transaction is processed under a separate MID (for State Entity department/division) specifically for the transaction type being accepted, and the convenience fee is processed under a separate MID (for VPS) specifically for the convenience fee.**  **The State Entity will receive gross settlement for all liability transactions, and all processing fees (network interchange, dues, and assessments, as well as processor fees) are net settled from the convenience fee and settled to the convenience fee DDA.**  **The result is that the State Entity receives the full value of the liability transaction, while VPS assumes the costs of interchange, assessments, and all other fees for transaction processing. The State Entity never receives a statement/invoice, must reconcile to fees being collected, has interchange risk, or otherwise must manage the convenience fee program, allowing the State Entity to utilize valuable resources for other functions. VPS will provide the agency with comprehensive reporting to reconcile transactions processed through real-time HTTP post, data files, formatted reports, or through our online reporting portal.**  **Under VPS’ convenience fee funded model, the State Entity will not be charged any fees for the provision of services, including any necessary or anticipated expenses for payment application development, payment services integration (API), maintenance, POS hardware, staff time, and, most importantly, transaction costs. Therefore, we do not provide merchant statements or invoices under this model, as our services are provided to the State Entities at no cost. However, VPS will provide daily/weekly/monthly/ yearly reports as desired by the State Entity.**  **VPS can bill each individual State Entity monthly for payment processing fees (third-party fees (interchange, dues, assessments, etc.) plus VPS processing and service fees), where the State Entity desires to absorb these fees and not pass them along to the customer through a convenience/service fee.** |

* + - 1. The Contractor must distribute funds collected by it on behalf of the State as set forth below and consistent with instructions from the Treasurer of State and in conformance with Ind. Code § 5-13. The Contractor shall have the capability to deposit funds into multiple accounts as designated by the State. All payments remitted by credit card users, including additional fees set by the State, shall be deposited directly into the designated Contractor-owned non-interest-bearing bank account as identified in the associated merchant account set up by the Contractor. All payments remitted by EFT users, including additional fees set by the State, shall be deposited directly into the State's designated bank account. The Contractor shall have the capability to deposit funds into multiple accounts as designated by the State meeting deposit timeframes and other requirements as mandated by the State Board of Accounts State Agencies Manual, the most current publication can be accessed at: https://www.in.gov/sboa/4447.htm Upon request the Contractor shall provide a daily flat file to be used for reconciliation purposes The Contractor must assist the State in the effective disbursement, to State accounts, of revenues received. The cut off time for transactions shall be agreed upon by the Contractor and State Entity for each individual Scope of Work. Please confirm your understanding of the requirements outlined in RFP Scope Section 1.vi and provide an example of the monthly payment statement. Please include examples of your company’s ability to provide flexibility for cut off times across a similarly diverse portfolio of payment processing needs.

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| **VPS can provide settlement to any of the State Entity's existing bank accounts. VPS is always able to differentiate between deposits made to separate State Entity Departments. Our proprietary payment platform allows for direct settlement, into the same or different bank accounts, for each transaction type (e.g., auto, property, etc.) through the use of separate Merchant IDs. Each type of business is assigned a separate MID that is used to identify transactions by department acceptance. In the case of deposits, each department has its own MID that is used to separate and differentiate from the other departments for reconciliation and reporting purposes.**  **In the case of a convenience fee transaction, the entire payment amount less any customer paid convenience fees will be remitted directly to the State Entity. VPS does not hold any State Entity dollars in these transactions and “split settles” the sum so that only the convenience fee is sent to the VPS bank account. VPS provides 24-48 hour settlement to client bank accounts. This allows the State Entity to receive gross funds from the primary payment and avoid having to ACH the convenience fee to VPS.**  **VPS can accept and send billing summary files from the State on a daily basis through secure file transfer. VPS can receive remittance files via secure FTP in a variety of formats including, but not limited to flat file - fixed field, flat file - comma delimited, NACHA CCD+, and custom formats are available at the State’s request.**  **VPS supports daily settlement of merchant accounts with the determination of batch cutoff time varying by location as determined by the State Entity.**  **VPS' processing system can either automatically close the daily batch at a designated time or allow the daily batch to be manually settled by State Entity staff. VPS provides our clients with the flexibility to vary batch closing times by application or department. VPS can modify the batch closing times per Merchant Identification Number (MID). Most VPS clients utilize the midnight to midnight (calendar day) batch time.** |

* + - 1. As part of the distribution of funds, the Contractor is required to collect additional fees on behalf of the State as requested. (Please reference Attachment J- Scope of Work, Section 1.4.3.1.(1).(vi).(1). These fees are subject to change during the life of the contract. Please provide your company’s ability to collect, report and disburse this fee to the State and your ability to implement changes to the fee structure.

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| **VPS’ payment processing platform currently allows for the assessment of an additional flat or percentage fee that can be applied to either a Convenience Fee transaction or on its own if a State Entity is utilizing a Merchant Funded solution.**  **The additional fee can be displayed to the payer, on a website and payment receipt, separately from the primary payment amount and the Convenience/Service Fee if applicable. The additional fee can be named by the State (e.g., Technology Fee, Access Fee, etc.) and can be changed at the State’s discretion. The additional fee amount can be determined by the State and/or State Entity, can vary by State Entity and can be changed by the State and/or State Entity over time.**  **The additional fee will be settled directly to the State and/or State Entity and VPS will supply transaction reports for the amounts that are disbursed to each State Entity and the State overall. Custom reports will be created at no cost as requested by a State Entity.**  **A version of the additional fee functionality is currently in place with the Secretary of State as part of the INBiz solution.** |

* + - 1. The Contractor shall submit an invoice, either electronic, paper or both, based on State Entity preference, to the State Entity’s Bill to Address, 35 days in arrears and no later than the 15th of the month. The Contractor’s invoice shall identify, at a minimum, the information listed below, and shall have the ability to customize based on unique requirements outlined in individual State Entity SOW’s: Contractor’s name and address that matches the Auditor of State’s records, invoice date, State Entity’s bill to information, business unit and/or service code, breakout of fees assessed, fee description and amount, transaction dates, chargeback date, transaction amounts, transaction counts, total dollar volumes processed, a breakout of fees collected, and invoice total. Please describe your company’s ability to meet these requirements. Please outline any quality assurance practices in place to ensure the accuracy of Invoices. Please outline the process in place for Invoice corrections, including time frame for resolution. Please provide examples of detailed Invoicing capability.

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| **Where VPS provides payment services under the Convenience Fee model, there is no need to invoice the State for any payment processing charges or fees as all merchant processing fees are included in the Convenience Fee charged to the customer (payer). Therefore, VPS does not produce any statements or invoices for payment services provided under this model.**    **However, where a State Entity desires to pay (absorb) the merchant services fee (Merchant Funded model) and not utilize the Convenience Fee model, VPS can accommodate this model and has included pricing for such payment services in the Pricing Schedule. As will current State Entities that use the Merchant Funded model, VPS will invoice the agency monthly, with corresponding transaction detail, for all fees associated with payment processing, as disclosed on the VPS Pricing Schedule.**  **VPS can bill each individual State Entity monthly for payment processing fees (third-party fees (interchange, dues, assessments, etc.) plus VPS processing and service fees), where the State Entity desires to absorb these fees and not pass them along to the customer through a convenience/service fee. Invoice customizations can be outlined in individual State Entity SOWs.**  **Billing issues are resolved through the Client Support team. If the State Entity experiences a billing issue, they can immediately contact the Client Support team via email or our toll-free support number.**  **VPS will deliver credit card fees shown on monthly statements that align with charges appearing on bank statements. Transaction details are also provided through our online reporting tool(s). The total can be tied to the bank statement through auto reconciliation.** |

* + - 1. The Contractor shall provide monthly Disbursement Reports to the State to enable the State to reconcile the funds collected and paid with the respective State Entity. Accurate Disbursement Reports including but not limited to transaction counts, total dollar volumes, and a breakout of the fees shall be submitted by the 15th of each month. Please describe your company’s ability to meet these requirements. Please outline any quality assurance practices in place to ensure the accuracy of Disbursement Reports. Please outline the process in place for Disbursement Report corrections, including time frame for resolution. Please provide examples of detailed Disbursement Report capability.

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| **VPS and our third-party processor will deliver merchant processing fees on monthly statements that align with charges appearing on bank statements. Transaction details are also provided through our Online Reporting Tool. The total can be tied to the bank statement through auto reconciliation. In the event that statements are not congruent, VPS will reconcile the problem, take corrective action to minimize similar occurrences, and notify the State of such actions. When an inaccuracy is found, VPS will correct and reissue a new invoice within two (2) business days.**  **Daily and monthly transaction and account reconciliation reports are provided to the State Entities with transaction information and detail including merchant ID, card type, unique batch numbers, date, transaction type, and further card information including expiration date and card number. Settlement reports will also show the State Entities unique transaction numbers and summaries of total transactions. These reports can be provided by the 15th of every month.** |

* + - 1. The Contractor must take responsibility for researching all merchant processor notifications of a chargeback to a customer's credit card account. The Contractor must act on behalf of and in the best interest of the State regarding chargebacks and provide a Chargeback Report to the State. The Contractor must have the ability to notify, via email, on a daily basis, an unlimited number State Entity contacts. Please provide your company’s current process for the research, notification and reporting of chargebacks. Please include an example report.

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| **Detailed Step-by-Step Chargeback Procedure**  **Step 1 – The Imaging Queue Administrator (IQA) / Merchant Chargeback Analyst (MCA) are responsible for logging into the Chargeback Management Tool each business day. The IQA will review new chargeback and retrieval requests and assign them to an MCA. It is also the IQA's responsibility to make sure that all chargebacks and retrievals are responded to within 1 business day of receipt. The MCA will view and process the chargeback and retrieval requests assigned to them.**  **Step 2 – The MCA will review the reason for the chargeback. If the reason for the chargeback is due to a duplicate charge, the MCA will verify the event through the online reporting tool and compare those results against the VPS database. If there are extra charges at the processor based on the customer description (i.e. same tax type, same tax year, and same account) and/or discrepancies in the data, the MCA will notify the chargeback manager for next steps. If there are no extra charges or data discrepancies, the MCA will proceed with challenging the chargeback through the CMT.**  **Step 3 – On the same day the chargeback was challenged, the MCA will notify the State Entity representative of the chargeback by sending an email requesting that the identified account is frozen to keep from offsetting or refunding with an attachment of the chargeback notification. The MCA will need verification by email that the State Entity representative received the request. The MCA will save the verification email to a folder and record the date the chargeback was received, the date the request was sent to the State Entity, and the date the State Entity acknowledged receipt in the Chargeback Tracking Tool (CTT). Other specific information about the chargeback will also be entered in the CTT as requested in the tool.**  **Step 4 – The MCA will verify if the chargeback challenge is lost or won as indicated by the CMT. This can take up to 75 days. If the chargeback is lost, go to step 5. If the chargeback is won, go to step 7.**  **Step 5 – If the chargeback challenge is lost as indicated by the CMT and the repayment amount is less than $1 million, the MCA will notify the State Entity representative by email with an invoice form. The MCA will also record in the CTT the date the fax/mail was sent to the State Entity and the receipt confirmation. If the chargeback challenge is lost as indicated by the CMT and the repayment amount is greater than $1 million, additional documentation is required along with the Invoice.**  **Step 6 – The State Entity will research the information provided by VPS and reverse the credit on the payer's tax account. Before VPS can initiate an invoice to recover the lost chargeback, the State Entity must provide VPS official approval. The approval will require an email in response to the notification of loss. The MCA is responsible for verifying that the funds were credited in the VPS account (or received via check) by working with a financial analyst. If the funds are not credited after 60 days, the MCA will follow up with the State Entity representative to determine the status of the repayment claim. When the funds are credited, the MCA will record the date and mark the chargeback as closed in the CTT. No further action is required. If the repayment claim is not honored, the State Entity will notify Value Payment Systems in writing.**  **Step 7 – If the chargeback challenge is won as indicated by the CMT, the MCA will notify the State Entity representative of the chargeback by sending an email with the appropriate confirmation number requesting that the identified account hold be removed because won the chargeback challenge has been won. The MCA will need verification by email that the State Entity representative received the request. The MCA will save the verification email to a folder and record the date the request was sent to the State Entity, the date the State Entity acknowledged receipt, and mark the chargeback as closed in the CTT. No further action is required.**  **Step 8 – For retrievals, the MCA will review the reason for the retrieval. If the reason for the retrieval is due to a duplicate charge, the MCA will verify the event through the payment processor online reporting tool and compare those results against the VPS database. If there are extra charges at the processor based on the customer description (same tax type, same tax year, and same account) and/or discrepancies in the data, the event will be escalated to the Director of Operations for next steps. If there are no extra charges or data discrepancies, proceed by responding to the retrieval through the CMT. The MCA will record the date the retrieval was received and respond to and mark the retrieval request as closed in the CTT. No further action is required.**  **Chargeback Reporting**  **VPS tracks chargebacks internally and provides standard and/or custom Chargeback reports to each State Entity as needed. The VPS Chargebacks Team works directly with each agency to track and respond to each chargeback.** |

* + - 1. Please outline your company’s current process for researching and approving refunds. Please provide details on your company’s capabilities for refunds to be executed at the State Entity level and any safeguards provided for that process. Respondents must offer the capability to process refunds at both the online or terminal level for all transactions. Please provide details on POS functionality to process refunds at the terminal level utilizing a manager override or password protected process. Please include details on the communication tools utilized to manage the refund process with the State, any reports, and resolution time frames applicable.

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| **VPS will always obtain State Entity approval before taking action on returns, reversals, etc. Additionally, we provide the State Entity with the option to process refunds via the VPS Online Reporting Portal.**    **Refunds can be processed based on the following criteria:**   * **Approved transactions completed within the last 120 days** * **Credit and debit card payments only (eCheck payments cannot be refunded in the reporting tool)**   **Payments that meet the defined criteria will have a “Refund” link provided in the first column of the table.**  **To complete a refund, click on the link corresponding to the correct payment. The payment will open into a Refund Transaction screen. The refund transaction screen will provide all details regarding the original payment.**  **The “Refund Amount” will be pre-populated with the original “Transaction Amount.” You have the option to apply a full refund or partial refund.**   * **In order to apply a full refund, simply click “Refund.”** * **To make a partial refund, change the amount in the “Refund Amount” box and click “Refund.”**     **If this is a method the State Entity prefers not to use, your designated relationship manager can refund payments with your consent. Clients are always notified of rejections, refunds, and voids.**  **VPS also provides the ability to void a transaction, where necessary. To void a transaction, simply complete the Refund Transaction within ten (10) minutes of the initial payment being approved. Refund transactions completed after ten (10) minutes will be completed as a refund.**  **A refund report or response file can be generated to reflect the refunds processed.**  **Indiana Department Managers can process full refunds at the device terminal and full or partial refunds via the VPS Online Reporting Tool. Partial refunds at the device terminal will be available this year via VPS’ new Tetra POS certification.** |

* + - 1. Please describe the current safeguards in place to prevent double-billing, over drawn credit cards, and fraudulent charges. Please provide your company’s ability to meet the following fraud prevention requirements: an AVS feature, requiring the CVV from payers, behavior reports based on criteria defined by State Entity, real-time alerts (State Entity criteria), State Entity-controlled profile blocks (and removals), and State Entity-initiated refund requests to Contractor. Please include details on the different levels of checking your solution offers and the recommended timeframe. Please provide details on your ability to work collaboratively with the State to incorporate unique requirements.

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| **VPS checks for duplicate payments on the same card number and works closely with our Acquirers’ fraud programs to reduce and mitigate fraudulent payments. VPS also offers CVV and AVS checks on payments to help prevent stolen card numbers from being re-used.**  **If a transaction is deemed suspect, we will request a copy of the invoice or signed sales draft so we can contact the cardholder’s bank and compare name and address information.**  **We may hold those funds until we are confident that the transaction was agreed to by both the merchant and the cardholder. In the event the transaction is found to be fraudulent, we assist the merchant in preventing losses resulting from the transaction.**  **Our Transaction Risk department is also available to our merchant for questions related to possible fraudulent transactions.**  **For payments that are being made online, our system will identify duplicate transactions and notify the user that they are processing the same payment twice. After they are notified, the user will not be able to access our system for twenty (20) minutes as our system will inform the user that they requested to process the same transaction twice. After twenty (20) minutes, the user will be able to access the payment site again, if they still wish to make the same payment twice for any reason.**  **For payments made in-office, the State Entity will have the option to review the batch, and if a payment has been made twice, the State Entity can select the duplicate payment and eliminate it from the terminal. This will need to be done before the batch closes and the settlement process begins.**  **VPS can set up a blocked payer file and allow the State Entity to manage any payers the State Entity desires to block from accepting a payment. The file can contain unique identifiers such as account number, and/or can block specific payment devices such as a credit card number or bank account and routing number. The blocked payer file can be set up to be managed by the State Entity, or payers can be added to the file by contacting their VPS Account Manager.**  **Additionally, the VPS payment platform supports the setting of specific "business rules" that match State Entity payment rules and/or policies. VPS can set up payment parameters and restrictions in which a customer is not permitted to pay a partial payment, and customers must pay all fines or fees in their entirety, for example. State Entity customers with an account in a certain "status" can also have limitations set within the payment platform. These business rules, and more, can be defined by the State Entity and implemented at the payment type level.** |

* + - 1. Please describe your company’s internal Quality Assurance (QA) testing, End to End testing and external Customer Acceptance (CA) testing process. Please provide your process and ability to test each phase and requirement of the payment processing lifecycle from initiation to bank settlement.

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| **VPS is committed to providing the highest quality service to the State of Indiana. Our thorough Quality Assurance and Customer Assurance programs are described below.**  **Quality Assurance**  **Once the web, IVR, and POS applications are developed (deployed for POS), VPS personnel will begin to evaluate and test the State Entity’s applications (jointly with the State Entity) based on the information provided in the RFP/contract and the State Entity's setup form. This is to ensure that the application is created based on predetermined specifications and expectations. Test transactions are processed for all accepted card types, errors, variants, and applications. Once the tests meet the standards of VPS, the credentials are also sent to the State Entity for Customer Assurance.**  **Customer Assurance & Testing**  **In addition to the VPS Quality Assurance testing, the State Entity will be responsible for ensuring that the application meets the expectations and requirements desired. During Quality Assurance testing, the State Entity will perform test transactions, record test data, and the tests are confirmed by VPS. VPS and the State Entity can test small dollar transactions so the State Entity can verify settlement and proper transaction processing. Test "dummy" cards and "dummy" accounts will be provided to facilitate this testing. Testing will give the State Entity the ability to enter transactions through the confirmation page (using test payment methods) and receive the daily reports. Typically, our clients are very familiar with our systems once they perform testing prior to going live.** |

* + 1. **Contract Management, Customer Support, and Personnel**
       1. Please describe the account management team structure including names, contact information, and resumes where possible, and services each individual or group will perform.

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| **The state will have a dedicated Account Manager that will provide support to the state with regards to all aspects of the VPS electronic payment services. From start-up to implementation to maintenance, the account manager will be available to the state for any assistance necessary, including technical training and support, as well as leading the implementation process working alongside state staff and VPS technical staff.**  **The current dedicated account manager for the State of Indiana is Senior Account Manager Melissa Lam. She has over 4 years of experience working with Indiana State Entities. Melissa’s contact information is included below:**  MelissaLam@valuepaymentsystems.com  (615) 942-1144 ext. 26260  **The backup account manager for the State is Account Manager N’kosi Parker. N’kosi’s contact information is included below:**  NkosiParker@valuepaymentsystems.com  1-999-625-5402  **The account manager assigned to the State will schedule mutually agreed upon calls to keep close contact with the State Entities. During these calls, the account manager will discuss ways to improve quality, reduce chargebacks, introduce system or process modifications, as well as advise of regulatory or compliance changes.**  **The account manager will also be available for State Entity support through a phone number provided only to the State Entity and email support will also be provided to the State Entity 24/7. If the account manager is not able to the level of technical support needed, they will escalate the issue following VPS’ Escalation Procedure.**  **Development and IT staff are available for technical support from 8:00 a.m. to 6:00 p.m. Eastern Monday through Friday. However, if payment processing is impeded, technical staff is committed to working outside of normal business hours to ensure that the system is fixed quickly and running properly.**  **Additionally, the state can contact VPS’ in-house Customer Support Center or contact VPS’ technical staff directly by sending an email to an address to be provided.** |

* + - 1. Describe in detail the controls in place (or proposed) to ensure that your company is providing quality products and services. Explain the method of performance monitoring used and the format this information will be communicated to the State. Describe in detail any quality programs the respondent has implemented, how the benefits are measured, and the results of any programs.

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| **After the implementation process, the VPS Account Manager and relationship management team will continuously monitor service levels and provide merchant support. Our account managers have the experience required to ensure the State Entity's satisfaction and efficiently solve issues, should any arise. The account management team performs quarterly reviews as a standard while maintaining monthly checkpoints. Topics covered in quarterly reviews include key performance metrics (qualitative and quantitative), industry trends (e.g., consumer method and channel preferences), and VPS platform enhancements (e.g., products and services that can be leveraged by the State).**  **VPS will also conduct regularly scheduled business reviews to ensure communications, support for evolving needs of each agency, and introduction of new payment products and services.** |

* + - 1. Please provide, in detail, your company’s current issue resolution and escalation plan. Please include details on the approval process to change, update or modify the resolution and escalation processes. Please include an example of the tracking system utilized and the reporting generated.

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| **Technical support is available for all VPS solutions that are provided. The VPS Client Support team will act as the first point of contact and has the ability to escalate any and all technical issues to our development and IT staff. Development and IT staff are available for technical support from 8:00 a.m. – 6:00 p.m. ET Monday through Friday. However, if payment processing is impeded, technical staff is committed to working outside of normal business hours to ensure that the system is fixed quickly and running properly, and the State Entity will be provided with after-hours contact information for issue notification.**  **VPS maintains an internal Service Level Agreement (SLA) between our Operations and IT departments for the provisioning of IT services required to support and sustain various entities provided by VPS. This SLA sets time frames for ticket retrieval and problem resolution.**  **VPS has attached our Issue Resolution plan (“VPS – General Call Ticket Process”) and Escalation Plan (“VPS – General Ticket and Escalation Procedure”).** |

* + - 1. Please provide a detailed description of your company’s customer support team, staffing, hours of operation, offerings, and procedures. Please provide details on any customer support services your company offers that are not currently contemplated in the scope of this RFP.

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| **VPS is dedicated to providing payment processing to the State 24/7/365. Providing around-the-clock payment processing is a core service. VPS provides all of our clients and maintains a thorough set of procedures to ensure processing of transactions is continuous. The State's contact to reach technical assistance will be through our Client Support Team via email or our toll-free support number.**  **VPS' Customer Support Center (CSC) is located in-house in Brentwood, TN, and is operated by direct VPS employees. State employees and customers can reach the bilingual (English and Spanish) call center via a toll-free number from 8:00 a.m. to 8:00 p.m. ET Monday through Friday for support.**  **The CSC representatives can assist with processing payments, respond to questions regarding the products/services, respond to email inquiries, and escalate issues, should any arise. In addition, VPS includes a list of frequently asked questions on the payment application website to assist State customers 24 hours a day, 7 days a week.**  **VPS is committed to delivering exemplary day-to-day customer care for clients and their customers. VPS' CSC exceeds industry standard performance metrics for Service l levels and is strategically staffed to meet the State's demands for peak seasons. If our CSC representatives are unable to resolve the State’s problems, they are trained in the appropriate escalation procedure.**  **For the State of Indiana, Value Payment Systems will build out a dedicated call center with agents whose sole responsibility will be the State of Indiana Account. The call center will be based in Alpharetta, GA, along with our main call center with more than 100 representatives, which services the State’s account today. This call center will maintain SOC2 and PCI compliance.** |

* + - 1. Please describe your company’s current policy on personnel background checks, including frequency and types conducted. Please confirm your ability to meet all requirements outlined in Attachment J- Scope of Work, Section 1.4.3.1(2)(v)(1).

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| **Each employee with access to sensitive data has successfully passed a thorough background check prior to employment. Criminal background checks are required for those with elevated access. VPS will meet the State’s requirements as outlined in Attachment J – Scope of Work, Section 1.4.3.1(2)(v)(1).** |

* + 1. **Reporting**
       1. Please describe your company’s online reporting system including details regarding accessibility to State users and the features and functionalities available. This system shall be an aggregation of all State entity platforms and provide a single point of access to records across all State Entity users. Please describe your company’s ability to provide enterprise reporting across all State associated merchant account for transactions, refunds, & charge backs.

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| **VPS’ Online Reporting Tool provides a single point of access enterprise reporting platform across all State associated merchant accounts for transactions, refunds, chargebacks.**    **The Online Reporting Tool provides additional functionality that includes, but is not limited to:**  **Online Reporting Tool Access**   * Login * Forgot Password   **Transaction Lookup**   * Required Search Fields * Optional Search Fields   **Refunding a Payment**   * Refunding a Transaction * Confirmation of a Successful Refund * Voids * Additional Report Options   **Report Outputs**   * Online * Excel * Print   **eCheck Rejection**   * Required Search Fields * Optional Search Fields   **Refunds (full and partial)**  **Report Outputs**   * Online * Excel * Print   **Manage Account**   * User List * Change Password * Add New User * Delete User * Show Location   **Add New Location**   * Delete Location   **Contact Us**  **State Entities can access the VPS Online Reporting Tool 24/7 to view a suite of detailed reports including daily and monthly reports. The Online Reporting Tool is a secure, online resource for retrieving, reviewing, printing, and downloading transactions and settlement data. The real-time, online tool shows daily transactions, deposit detail reports, chargeback information and detailed search capabilities. These reports allow State Entities to export the data in a variety of formats including but not limited to CSV, Excel, PDF. We provide multiple user access to online reporting and payment, settlement, and refunding services.**  **The reports that are generated through the VPS Online Reporting Tool include transaction, payment, and payer information. An administrative account will be created to provide the capability of adding and editing users’ rights. In addition, VPS can assign individual user roles in the Online Reporting Tool to ensure that State Entity personnel have access only to information related to their own operations. VPS can also create a hierarchy of user accounts that permits and restricts access based on the needs of State Entities and their personnel.**  **Example Custom Report – Department of Child Services**  **VPS has developed a custom Potential Fraud Activity Report (PFAR) for Indiana Department of Child Services that flags payments as potentially fraud incidents and sends the PFAR to DCS internal fraud department to research prior to disbursing any money to the custodial parent. Each tab in the PFAR details a specific fraud parameter such as High Dollar, Consecutive, New Payer, New SSN and Masked Blocked.**  **VPS Analytics Reporting**  **As part of a go-forward relationship with the State of Indiana, VPS will provide State Agencies with VPS Analytics Reporting (VAR). VAR reports help the State of Indiana leverage data as an asset, offering transparency and on-demand dashboard reporting solutions that give organizations the ability to quickly report and analyze payment transaction detail in an easy-to-use dashboard that all parties can easily understand. Our integrated solutions empower staff, reduce the need for multiple tools and offers increased accessibility to reporting and dashboards to track performance and sharing of data both internally and with constituents. Administrative access will allow entities to ingest data from third party sources, as well as VPS payments systems, providing entities with a single source of consolidated data.**  **Included in our proposal is VPS Analytics, which offers the State a Dashboard that includes Charts, Visualizations and Analytic Reporting to support payment processing performance, channel metrics, trend analysis, per agency metrics, and consumer behavior at a Statewide and Per Agency view. Agency users can create and change visualizations and charts with a click of a button and easily drill into the details behind the data. In addition, all reports on the dashboard can be exported to CSV, Excel, HTML, PDF or as an image. Color palette and report chart types are fully configurable for the State.**  **Reports & Metrics in the Dashboard include:**   * **Collections by Data Ranges** * **Collections by Agency** * **Collections by Channel** * **Collections by Type** * **Average Liability Collected by Data Range** * **Average Days to Deposit**   **iQ by Worldpay**  **State Entities also have access to online reporting services through our processor Worldpay’s iQ system, which has over 100 credentials issued for access.**  **Worldpay iQ is a robust, easy-to-use, web-based reporting tool to access your payment processing data. It is a comprehensive solution to give actionable insights into running your business more efficiently. View all your transaction data broken down by card types, gift transactions, chargebacks, and more.**  **Unlike other processors that offer outdated and non-secure reporting interfaces, iQ delivers a customizable interface to enable convenience and secure access to your business data. As an enterprise-class reporting tool, it is designed for merchants of all sizes to help streamline workflows, handle large data sets, and deliver reports that you need. iQ is a complete reporting system for online self-service reporting.**  **Through iQ, State Entities can access:**   * **Payments data** * **Monthly statements and reports** * **Training and help articles** * **Virtual Terminal transaction processing** * **Dispute management**   **VPS Advanced Intelligence**  **VPS Advanced Intelligence is an additional application we offer giving the State the ability to blend and integrate multiple data sources for additional on demand business intelligence and reporting capabilities. We offer more than 500 integrations to common business applications. Including ERP & Court Systems, Storage Devices, Relational and on SQL databases, Excel, CSV, HTML, Google Analytics and more.**  **Our integrated solutions empower staff, reduce the need for multiple tools and offers increased accessibility to reporting and dashboards to track performance and sharing of data.**  **For a short overview of the new VPS Analytics Dashboard feature you may view it here: https://www.youtube.com/watch?v=2r9Oexr\_6wU**  **Reporting with Vespa Group**  **Vespa Group will assist the state in deploying and developing enhanced reporting and data analytics tools. VPS provides a core set of reports and dashboards. The VPS Analytics tool has the ability to create additional dynamic BI dashboards that will provide a more comprehensive set of data intelligence and insight at the state and agency level, as detailed in 2.4.1.1. The Vespa Group will provide resources to build out these dynamic dashboards and other reporting needs as different agencies are added to the program.**  **VPS has provided sample Online Reporting Tool and VAR reports as a separate attachment.** |

* + - 1. Please confirm your ability to provide same day and ad-hoc reporting. Please provide your company’s capabilities to provide daily reconciliation reporting at the terminal level. Please provide details surrounding your capability to provide customizable field level details by State Entity user for reconciliation reporting. Please provide your ability to provide custom reports, such as Social Security number frequency, and the time frame required to create and provide custom reports. Please provide examples that align with the requested reports in Attachment J-Scope of Work, Section 1.4.3 (3). Please include descriptions and examples of any additional, applicable reports your company can provide. Please include supporting details and examples for the following reporting requirements: 1- Reports shall have the ability to show aggregated details for the entire requested time period or individual details for each date requested. 2- Reports shall have the ability to include data for all transactions throughout the life of the contract. 3- Reports shall be available at the transaction by terminal detail level. Please describe the functionality available for the searching, saving, extracting and printing. All reporting features and functionalities are to be provided at no cost to the State.

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| **The no-cost VPS Online Reporting Tool enables State Entity staff to generate ad hoc reports as needed. The tool can be used to sort transactions with a variety of filters, and export reports in desired format(s), same day. In addition to the standard suite of reports available, VPS can provide the State Entity with ad hoc reports via email for custom reports requested by State Entity staff or a specific department.**  **The VPS Online Reporting Tool will store transaction information for a period of up to twenty-four (24) months to be accessed at any time by State Entity staff. Transaction information is stored by VPS for up to seven (7) years on VPS databases, and ad hoc reports which require information greater than twenty-four (24) months in the past can be requested by the State Entity. Turnaround time for these ad hoc reports is three (3) business days or less.**  **Daily transaction and account reconciliation reports are provided to the State Entity with transaction information and detail including merchant ID, card type, unique batch numbers, date, transaction type, and further card information including expiration date and card number. Settlement reports will also show the State Entity unique transaction numbers and summaries of total transactions.**  **VPS can provide both detailed and summary reports for various time ranges, including daily, weekly, monthly, and annually. The VPS Online Reporting Tool allows for State Entity users to retrieve, review, print and/or download transactions and settlement data reports utilizing a variety of filters 24/7.**  **During VPS’ 9-year relationship with the State of Indiana, we have provided numerous custom reports for the State that are highly tailored to the applicable Entity’s needs.**  **Example custom reports include, but are not limited to, the following:**   * **Indiana Dept of Workforce Development (Liability & Claimant) zipped and encrypted daily transaction reports** * **Indiana Dept of Workforce Development (Liability & Claimant) zipped and encrypted daily eCheck rejection reports** * **IN DCS behavior report, sent twice daily, highlighting potential fraud payments, and allowing DCS fraud team to investigate before disbursing funds** * **IN DOR daily transaction reports delivered via secure FTP** * **IN DCS customized online report transaction lookup portal, specific for DCS** * **IN DCS customized online scheduled payment lookup portal, specific for DCS** * **INBiz customized daily transaction report**   **Example Custom Report – Department of Child Services**  **\*As referenced in Section 2.4.1.1., VPS has developed a custom Potential Fraud Activity Report (PFAR) for Indiana Department of Child Services that flags payments as potentially fraud incidents and is sends the PFAR to DCS internal fraud department to research prior to disbursing any money to the custodial parent. Each tab in the PFAR details a specific fraud parameter such as High Dollar, Consecutive, New Payer, New SSN and Masked Blocked.** |

* + - 1. Please describe the process and timeframe to set up users and the ability to restrict access based on the criteria provided in Attachment J- Scope of Work Section 1.4.3.1.3. Please provide details on the training, including examples of user guides, provided by your company to all users accessing the reporting system. Please outline the process and frequency of training and what on demand resources are available to assist State users.

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| **VPS will provide training to State Entity users to utilize reporting software, understand industry practices, introduce new products, educate on data entry, and more. Initial training can be completed onsite or online, depending on the needs of the State Entity and each individual department. VPS will provide all training materials and user manuals and will train according to the needs specified.**  **Online Reporting Tool training will include:**   * **User guides will be provided for the Online Reporting Tool, as well as training.** * **Your account manager will provide training on how to use the Online Reporting Tool's filters to generate and download reports.** * **Receiving training on accessing daily reports.** * **Receiving training on performing refunds and voids of transactions from within the Online Reporting Tool.** * **User account(s) and account hierarchy creation.**   **VPS' payment system provides State Entity administrators with the ability to create, edit and remove any authorized users for both credit/debit card terminals and the VPS Online Reporting Tool.**  **An administrative account will be created on the VPS Online Reporting Tool to provide the capability of adding and editing users' rights and there is no limit to the number of users that can be provided accounts. The State Entity can assign individual user roles in the Online Reporting Tool to ensure that agency personnel have access only to information related to their own operations. The Online Reporting Tool can also create a hierarchy of user accounts that permits and restricts access based on the needs of the State Entity and its personnel.** |

* + 1. **System Upgrades and Maintenance**
       1. Please provide details on the current process for system upgrades and maintenance. Please include details on frequency, communications, advanced notification, time frames. Please provide details on your company’s ability to provide at minimum 2 weeks advance notice of scheduled upgrades and maintenance.

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| **VPS will make every effort to conduct system maintenance and upgrades without compromising the service provided to the State Entity. Maintenance windows will provide upgraded hardware, software, or additional items required to maintain quality assurance of VPS' systems. VPS will provide the State Entity with communication in advance of all scheduled maintenance. In addition to advance communication, VPS will follow up via phone call to address any questions. The Service Delivery Manager will attend all maintenance windows in order to provide continual communication throughout each activity. System maintenance and upgrades will be performed with minimum, and with the goal of “no,” system interruptions, maintaining or exceeding current 99.5% performance.**    **VPS’ maintenance is scheduled for the last Monday of each month, from 2:15AM until 5:15AM Eastern** **to accommodate any maintenance and/or change requests that may require downtime. These windows will occur outside of normal business hours and peak transaction times to mitigate any disruption in service. Standard maintenance windows will include system/ hardware upgrades, code deploys, network/database maintenance, as well as any change requests.**    **VPS will provide communication to the State Entity via email at a minimum of ten (10) business days in advance of any scheduled maintenance. If the VPS must plan an outage due to the addition of new hardware, notification will be made to the State Entity six (6) weeks in advance. If the planned maintenance will interfere with the State Entity's ability to conduct business, the opportunity to request an alternate date/time will be provided to the State Entity. Once the maintenance commences, another notification will be made to the State Entity. A final notification will be made confirming the completion of all maintenance tasks. Service Delivery will then follow up via telephone to ensure the absence of any issues.**    **The State Entity will be provided the opportunity to request changes or maintenance by submitting a Change Request via the State Entity Account Manager. Once a request is received, it will be reviewed by the VPS Client Support Manager for approval. Upon approval, the change request will be made and scheduled for deployment during the next appropriate maintenance window. VPS will have the right to perform emergency maintenance as needed in any unforeseen, urgent situations. In such cases, the State Entity will be advised by the VPS Service Delivery Team, which will notify the State Entity Account Manager via email, advising of the situation and emergency maintenance.** |

* + 1. **Implementation**
       1. Describe in detail your company's proposed Implementation Plan, including tasks to be executed, target dates for completion, identified risks to the project, and any assumptions made for accomplishing the plan. Respondent must describe in detail how it will transition application payment processing integrations to a new processor. Please provide any examples of the respondent's experience with payment processing environments that are as diverse as the State of Indiana’s. Describe the respondent's anticipated level of effort to accomplish this transition. Where the information provided is insufficient, please list any general assumptions that the respondent is making in responding to this inquiry. Please demonstrate the ability to implement the entire Scope of Work, inclusive of all State Entity platforms outlined on Attachment K- State Entity User Requirements and any additional State Entities wishing to on board during the implementation period no later than October 20, 2022.

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| **As a core value, VPS has a commitment to implementation excellence. As an example, after being awarded a contract with the State of Indiana Department of Administration, we were tasked to convert and implement twelve (12) departments on an expedited six (6)-week schedule. VPS met all the timelines for expected live dates. Today we process payments with over 40 State applications. Our qualified and experienced team of in-house developers are readily available to deploy turnkey as well as fully customized payment solutions. In both cases, our experienced personnel and the platform structure are the key enablers to this performance.**    **VPS has provided a proposed conversion plan as an example of a smooth and successful transition for any additional State Entities that transition to VPS. Please note: Specific State Entity timelines, departmental needs, product/services customization, or other added items may change the final implementation plan.**    **Initial Implementation Process**  ***1. Pre-Implementation:***  **To move forward with the implementation process of the request for services, there are a number of documents to be completed, signed, and submitted. VPS will provide all of the documents. These include (and may be modified):**     * **State Entity SOW** * **Client Setup Form**   **These forms are required to get the merchant identification numbers for the POS terminals at all State Entity locations, for State Entity websites, IVR systems, call centers and self-service kiosks.**    ***2. Implementation:***  **VPS personnel will contact the State Entity to conduct a kickoff call to introduce the teams, discuss the project, implementation process, and scope of work. It is also important that the teams agree upon a mutual time to have recurring meetings. During these status update meetings, VPS will take notes on the meeting discussion, record action items, who is responsible for them, the timing required, as well as the next meeting time and date. The meeting minutes will be distributed to the team members shortly afterward. These meetings are critical for both teams (State Entity/VPS) to ensure the performance of the requirements as well as discuss any potential constraints or assumptions that could affect the project requirements.**    **During pre-implementation, VPS will also provide a copy of our web checkout API, as well as a sample IVR checkout API for the State Entity's information technology department’s review. Any questions concerning the APIs, or any adjustments can be discussed within the status update calls or ad hoc meetings.**    ***3. Development:***  **During this phase, VPS will have in its possession the signed off Scope of Work (SOW) document. The SOW will include the description and requirements for development of the application.**   * **Website Checkout API—The VPS Checkout API has been used by hundreds of government entities across the country and is very common because it puts the cardholder data collection responsibilities on VPS. VPS will provide a test environment that allow the State Entity to interface with our APIs.** * **File Transfer—Alternatively, VPS can accept remittance files from the State Entity on a daily basis. VPS can receive remittance files via secure FTP, or other secure formats, in a variety of formats including but not limited to flat file - fixed field, flat file - comma delimited, NACHA CCD+, and custom formats are available at the State Entity’s request.**   + **VPS will host a secure FTP (SFTP) site on which the State Entity can place end user load files. The VPS standard method of data transmittal will be through the exchange of flat files via a secure FTP (SFTP) process, allowing the transfer of files between two sites using the Internet’s TCP/IP protocol. Utilizing SFTP, the State Entity and VPS will exchange files securely via the Internet or a private network (Extranet).** * **POS Implementation—VPS has significant experience deploying convenience fee-based terminals using our proprietary software. VPS will work closely with the State Entity to verify quantity and location of terminals as outlined in the RFP. VPS will be able to load and ship the terminals shortly after the pre-implementation materials are received. Once received, VPS can provide training over the phone (via webinar) or onsite, based on the client's need. The terminals are very user-friendly, and most clients are very comfortable after our training session.**     **Communication is established with the State Entity, or its designated integrated partner, to discuss the specifications for the application and any applicable files. If any necessary files are sent to VPS, the test credentials are created, and the test application is established. The VPS team will work with the State Entity development team to make sure the development and testing goes smoothly.**    ***4. Quality Assurance:***  **Once the web, IVR, and POS applications are developed (deployed for POS), VPS personnel will begin to evaluate and test the State Entity's applications (jointly with the State Entity) based on the information provided in the RFP/contract and the State Entity's setup form. This is to ensure that the application is created based on predetermined specifications and expectations. Test transactions are processed for all accepted card types, errors, variants, and applications. Once the tests meet the standards of VPS, the credentials are also sent to the State Entity for Customer Assurance.**    ***5. Customer Assurance & Testing:***  **In addition to the VPS Quality Assurance testing, the State Entity will be responsible for ensuring that the application meets the expectations and requirements desired. During Quality Assurance testing, the State Entity will perform test transactions, record test data, and the tests are confirmed by VPS. A request for production will be sent internally to begin the Production phase.**    **Training will be provided to State Entity users to utilize reporting software, understand industry practices, introduce new products, educate on data entry, and more.**    **Initial training can be completed onsite or online depending on the needs of the State Entity and each individual Agency. All training materials, including product user guides, will be provided and staff will be trained according to the needs specified. The training may include, but is not limited to, the subjects detailed below.**    **POS Training**   * **User guides will be provided for all equipment, as well as installation and training.** * **Onsite group training is also available.** * **VPS' technical team will detail the process of installing the POS terminal, which will arrive at the State Entity pre-configured according to the specifications of the project.** * **VPS' technical team will perform test transactions using test card numbers alongside the State Entity staff, as well as detail refund and batch closing processes.**     **Web Payment Site Training**   * **The project manager will provide a walkthrough of the payment site in a testing environment.** * **During the demo, the State Entity's feedback and any change requests are noted.** * **The project manager will perform multiple test transactions use test card numbers alongside State Entity staff to ensure the payment site is accepting and processing payments according to the specifications of the project.**     **Online Reporting Tool Training**   * **User guides will be provided for the Online Reporting Tool, as well as training.** * **Your account manager will provide training on how to use the Online Reporting Tool's filters to generate and download reports.** * **Receiving training on accessing daily reports.** * **Receiving training on performing refunds and voids of transactions from within the Online Reporting Tool.** * **User account(s) and account hierarchy creation.**     **If applicable, VPS and the State Entity can also test small dollar transactions so the State Entity can verify settlement. Testing gives the client the ability to enter transactions through the confirmation page (using test payment methods) and receive the daily reports. Typically, our clients are very familiar with our systems once they perform testing prior to going live.**    ***6. Production:***  **The VPS technical staff will send production application information to the VPS implementation team. The implementation team sends the production credentials and instructions to the State Entity and/or the State Entity's designated third party. Customer service contact information and escalation procedures are provided to the State Entity.**    ***7. Post Implementation:***  **The State Entity's applications are completely handed off to the State Entity, and the initial transactions are monitored by VPS to ensure accuracy in settlement and proper application. An appointment is scheduled with the State Entity to discuss marketing options to increase awareness and adoption of the new payment solution. Marketing programs are a free service of VPS. After discussing the wide variety of promotional opportunities, the VPS marketing team will contact the State Entity and execute the marketing campaign. A follow-up call will occur 30 days after the application(s) goes live to ensure customer satisfaction.**  **VPS' comprehensive implementation model ensures an efficient and effective onboarding at no cost to State Entities that choose to transition to VPS.** |

* + - 1. As part of the Contractor’s response, an initial Implementation State Entity Prioritization Plan must be submitted using Attachment K- State Entity User Requirements. Attachment K-State Entity User Requirements provides general details regarding each current platform.

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| **VPS has completed Attachment K. VPS currently supports approximately half of the listed Entities with the payment processing solutions under this RFP’s scope.** |

* + - 1. Please confirm your understanding of the SOW creation process and the secondary competitive process as outlined in Attachment J- Scope of Work, Section 1.4.3 (1).and the requirement that all SOW’s must be approved by IOT and the State Entity in accordance with RFP Section 1.4.3, prior to the commencement of work. The State has provided in Attachment P, drafted SOW requirements that will be collected from each individual State Entity during the SOW creation process. The State requests feedback on Attachment P, in the form of modifications, additions, revisions. Please redline Attachment P and submit as part of your RFP response. Please also describe your company’s established process for the creation of individual SOW’s and provide the SOW template and documents utilized during the process. Please include details on the approval hierarchy and time frame for successful creation.

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| **VPS understands and accepts this requirement. We have reviewed Attachment P and do not have redlines at this time.**  **Please note that VPS' Development and Workload Management methodologies help ensure that the State Entity's projects will be developed on time based on a mutually agreed upon Scope of Work (SOW). VPS develops its application in an agile methodology. This promotes adaptive planning, evolutionary development, early delivery, and continuous improvement, and it encourages rapid and flexible response to change within the VPS infrastructure.**  **In addition, VPS' in-house Application Development Team handles development of all hosted payment applications and will work with the State Entity to develop a SOW to ensure that the application will meet the needs of the State Entity that will be accepting electronic payments. During the early implementation phase, VPS personnel will contact the State Entity to conduct a kickoff call to introduce the teams, discuss the project, implementation process, and scope of work.** |

* + - 1. Describe how you evaluate a project and scale your project management methodology to best manage the project based on factors, such as size, criticality and project complexity.

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| **VPS implementation project management and customer success teams evaluate and plan deployments during monthly booking sessions in which both market-focused and customer-specific requirements are analyzed and prioritized. Where new scopes of work threaten to overburden current team capacities, resources are reallocated or added to ensure all projects are sufficiently, and appropriately, staffed to meet all deadlines.** |

* + - 1. Please describe in detail the current training offerings available to the State and your company’s ability to create and deliver customized training at no cost to the State. Please provide examples.

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| **Upon being awarded the contract, VPS will assign a designated VPS Account Manager who will lead State Entity staff through the implementation process, including training and technical assistance. Typically, introductory training can be completed within 2-3 days. VPS will provide training to State Entity staff to utilize reporting software, understand industry practices, introduce new products, educate on data entry, and more. Initial training can be completed onsite, online and/or over the phone, depending on the needs of the State Entity. VPS will provide all training materials at no cost to the State Entity and train according to the needs specified.**  **Prior to going live, VPS shall provide at a minimum one day (8 hours) of over-the-phone or other remote training methods for State Entity staff. This training session shall include setup, report creation/modification, local management of State Entity payment center requirements, payment tracking, refunds excluding ACH debits, and troubleshooting using Customer Service or Contractor Reports if needed. Ongoing support shall include follow-up to all of the above, access to a Help Desk and a dedicated Account Manager. Additional training and/or reports shall be provided as required.**  **Core training for point-of-sale equipment/software, web and reporting will include, but is not limited to:**  **POS Training**   * **User guides will be provided for all equipment, as well as installation and training.** * **Onsite group training is also available.** * **Your account manager will detail the process of installing the POS terminal(s), which will arrive pre-configured according to the specifications of the project.** * **The account manager will perform test transactions using test card numbers alongside State Entity staff, as well as detail refund and batch closing processes.**     **Online Reporting Tool Training**   * **User guides will be provided for VPS' online reporting functionalities, as well as training.** * **The VPS Account Manager will provide training on how to use the Online Reporting Tool’s reporting features including filters to generate and download reports.** * **Receiving training on accessing daily reports.** * **Receiving training on performing refunds and voids of transactions from within the reporting tool.** * **User account(s) and account hierarchy creation.**     **Web Payment Site Training**   * **User guides will be provided for the payment site, as well as training.** * **The VPS Account Manager will provide a walk-through of the payment site in a testing environment.** * **During the demo, State Entity feedback and any change requests are noted/implemented.** * **The VPS Account Manager will perform multiple test transactions use test card numbers alongside State Entity staff to ensure the payment site is accepting and processing payments according to the specifications of the project.**     **The VPS Account Manager will perform test transactions using test card numbers alongside State Entity staff, as well as detail refund and batch closing processes. The VPS Customer Support Center representatives will always be available to aid in help desk type support. In addition to the Customer Support Center, the State Entity's assigned VPS Account Manager will be available before, during and after the implementation process to continuously monitor service levels and provide merchant support.** |

* + - 1. Please describe your company’s current marketing offerings including samples and examples from current clients.

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| **VPS is dedicated to providing full, no-cost marketing support to increase awareness and participation of customer usage. To demonstrate this, VPS will also commit marketing funds that will be used, upon approval, to market our lower-cost comprehensive payment product through our standard marketing kit which includes posters, counter handouts, and sticky notes. Customized marketing materials may be available on a case-by-case basis. Our marketing efforts have proven to be successful in the adoption of electronic payments for several of our clients who chose to take advantage of this service at no cost.**  **VPS has attached marketing samples our team has provided to State Entities in the past (“VPS Marketing Samples”).** |

* + 1. **Security**
       1. The Contractor must meet all security, privacy and compliance requirements defined in the Security and Privacy section of Attachment J1- Scope of Work-Security. Please confirm you have carefully reviewed all Security and Privacy Requirements in Attachment J1- Scope of Work-Security.

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| **VPS has carefully reviewed and is in compliance with all Security and Privacy Requirements in Attachment J1 – Scope of Work – Security.** |

* + - 1. The Contractor must adhere to the latest versions of NIST 800-53 and 800-53A standards in their environment. Is the payment processing solution environment you have proposed compliant with the above standards? If your answer is other than 'Y', please describe your current level of compliance, any shortcomings as they apply to this inquiry, and, if applicable, provide a justification as to why Contractor believes this level of compliance is unnecessary. Describe the security control(s) in place to protect data in use and transmission of data to the State Network (keeping in mind requirements related to NIST 800-53). Provide examples where you have implemented these controls in a similar environment.

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| **VPS' System Security Plan addresses all the NIST 800-53 and 800-53A security controls (for a Moderate level system) and PCI security requirements. These controls are tested several times annually, and all vulnerabilities are tracked and reviewed by outside security assessors. VPS' system is penetration tested on a regular basis, as is required by PCI.**  **VPS provides a secure online, 256-bit (or higher) encrypted environment for electronic payment transactions which meets and exceeds all industry standards for transaction security.**    **VPS maintains a number of security measures used to protect internet transactions. All VPS web traffic utilizes TLS 1.2 encryption and payments submitted are checked for AVS verification and CVV2 verification for online card transactions.**    **Other security measures VPS utilizes include:**   * **PCI DSS Level 1 Compliance; Payment Gateway and Process Handling** * **Compliant with FISMA security controls based on Cybersecurity standards**   **Value Payment Systems maintains a comprehensive security and privacy plan based and formatted on the NIST 800-53 security controls. This document, the VPS System Security Plan, is maintained by the Director of Network Security and contains over 130 separate security controls. The plan includes the controls for securing the management, operational, and technical security controls. Also attached to this plan are the Contingency Plan, the Incident Response Plan, the Security Awareness and Training Plan, and the Configuration Plan. Each of these sub-plans contains detailed specifications and instructions on for each relative subject. VPS does not publish the contents of any of the plans but can discuss particular controls and mitigations as desired by clients.** |

* + - 1. The Contractor must provide a system that will encrypt all financial and confidential data transmitted over the Internet compliant with the FIPS 140-2 standards. Please provide a description of your current system, including the version of Transport Layer Security (TLS) that your system supports. Please provide a detailed description of your ability to meet all requirements set forth in Attachment J1- Scope of Work – Security Requirements, Section 1.4.3.2.(1) (c).

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| **VPS adheres to FIPS 140-2 standards. Both data in transit and data at rest is encrypted at minimum TLS 1.2 with custom cipher listing to remove unsecure encryption types.**  **All Confidential State Data will be housed in the continental United States. All transactional and sensitive data is stored in a secure data center environment, with strong logical and physical controls. VPS’ System Security Plan addresses all the NIST 800.53 security controls (for a Moderate level system) and PCI security requirements. These controls are tested several times annually and all vulnerabilities are tracked and reviewed by outside security assessors. If a breach were to occur, VPS has an Incident Response Plan that is tested annually.** |

* + - 1. The Contractor's Payment Processing Solution must provide a system that has the ability to use Address Verification Services (AVS), Card Verification Value (CVV2), Card Validation Code (CVC2), Cardholder ID (CID), Card Security Code (3CSC), MasterCard SecureCode, and any other fraud prevention tools. Please describe your current ability to meet this requirement.

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| **There are many measures used to protect both the system and the data. These security measures include an SSL site certificate on all payment sites, AVS verification, and CVV2/CVC2/CID verification for online card transactions. We use internal metrics to monitor transactions for fraudulent attempts.**  **Additionally, as part of our offering for the Division of Child Services, VPS will implement a fraud tool kit at the merchant processing level. This tool kit will provide an Address Verification Service (AVS) which will ensure a complete match of the address and zip code associated with the payment card. Any mismatch in the AVS will result in a declined transaction. In addition, the tool will look for any previous chargebacks on the card being used. If there is a match, the transaction will be declined. Value Payment Systems has been using this system for the last 12 months and the result has been a 50% reduction in chargebacks across our portfolio of clients using the tool kit.** |

* + - 1. The Contractor's Payment Processing Solution must provide a system that is protected by security, using a public certificate authority to ensure that connected clients are on the Contractor's system. Please describe your ability to fulfill this requirement.

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| **VPS maintains a number of security measures used to protect both the system and the data. These security measures include an SSL site certificate on all payment sites.** |

* + - 1. The Contractor's Payment Processing Solution must have the capability to store client payment information, i.e., card info, account detail, etc. with ability to configure payment center to not allow this or provide it on an opt-in basis to clients to meet prevailing State of Indiana standards and policies. Please provide your ability to allow clients to opt in or out of this solution feature.

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| **VPS payment sites offer numerous convenient advantages for users, including the ability to schedule future payments and recurring payments.**  **When on the payment site, users will be presented with the option to create an account to store their information, as well as set up recurring and future transactions by payment card and e-check. The account will also enable users to view their past transaction dates and amounts.**  **By enrolling in recurring payments, users establish a payment frequency and amount, which is automatically withdrawn from their bank account to process their payment on-time, or the user can input their credit or debit card information to be used to automatically pay each month’s payment.**  **Recurring payments can help users lower their number of missed payments significantly and is an option that users increasingly desire.** |

* + - 1. The Contractor's Payment Processing Solution must be Payment Card Industry Data Security Standard (PCI DSS) compliant based on the most current version of the standards. Please provide a detailed description of your company’s ability to meet all Payment Card Industry (PCI) security standards as outlined in Attachment J1- Scope of Work- Security Section 1.4.3.2.(1).(b). Please confirm if your payment processing uses tokenization. Please provide solution names and details regarding the PCI certifications the solution has been approved for. The Respondent shall also submit the PCI certification letter, from a qualified security assessor company. This certification letter must be dated no earlier than 12 months prior to the RFP Response date outlined in RFP Section 1.8.

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| **As a payment services provider processing in excess of 5 million transactions annually, VPS maintains a Tier 1 – Service Provider PCI compliance status. This status requires constant monitoring for security breaches, security weaknesses, and effective security controls on PII. As part of this compliance, VPS also submits to an annual security audit by a PCI-Qualified Security Assessor, which creates a report on compliance. The PCI compliance approval is completed by our QSA annually to ensure no gaps in compliance.**  **VPS has provided a copy of our latest PCI DSS Attestation of Compliance for the State's review.**  **VPS Key Data Security and PCI Features:**   * **PCI DSS Level 1 Compliance; Payment Gateway and Process Handling** * **SOC 1 and SOC 2 certified** * **Compliant with FISMA security controls based on cybersecurity standards** * **Provides an SSL site certificate on all payment sites** * **Security Tab on payment sites ensuring customer of their secure payments**   **These Data Security and PCI features significantly lower the risk of any data breach to the State Entities and ensure that our processing systems are secured at the highest level.**  **VPS' System Security Plan addresses all the NIST 800.53 security controls (for a Moderate level system) and PCI security requirements. These controls are tested several times annually, and all vulnerabilities are tracked and reviewed by outside security assessors. VPS has never had a security breach of sensitive or protected data reported to us. If a breach were to occur, VPS has an Incident Response Plan that is tested annually.**  **The information utilized in a tokenization program is performed in the following** **manner. The State Entity payor can be redirected to a VPS hosted page to enter credit card information. VPS will generate an encrypted token from this data and return a reference ID for this saved method to the State Entity. The State Entity can charge the customer using this reference ID whenever needed. This process of tokenization saves the State Entity from storing sensitive credit card information on their end.** |

* + - 1. Is the Payment Processing solution cloud hosted? If so, please complete Attachment M- IOT Cloud Provider Questionnaire.

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| **Yes, VPS is utilizing Amazon Web Services’ normal cloud environment for our services. VPS has completed Attachment M.** |

* + - 1. Please describe the type of compliance reports that you have created and generated for **client use at the conclusion of the audit/self-assessment.**

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| **VPS maintains PCI-DSS and SOC 2 compliance and can share our PCI-DSS Attestation of Compliance and third-party audited SOC 3 report.**  **To support the State with compliance, VPS utilizes standard assessment forms such as SAQ-A. SAQ-A has been developed to address requirements applicable to merchants whose cardholder data functions are completely outsourced to validated third parties, where the merchant retains only paper reports or receipts with cardholder data.** |

* + - 1. The Contractor must provide a formal, defense-in-depth security strategy that will be used to provide ongoing security for State resources in the Contractor environment, update the strategy on an ongoing basis, and inform the State in writing within thirty days of strategy updates. As part of ongoing security support, the Contractor must inform the State of both offensive and defensive strategies in place in the Contractor environment. Please provide an example defense-in-depth security strategy that is currently being utilized by a customer of comparable size to the State of Indiana. Please include a description of your approach to evaluating and updating your security strategy as security issues arise or standards change. Please describe your approach to testing for security in systems, applications and applicable networks.

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| **Yes, VPS utilizes a defense-in-depth approach that involves layering individual security mechanisms to increase the security of the system as a whole. VPS’ approach includes penetration testing to identify vulnerabilities in in-house written applications and network structure, and scheduled reviews of firewalls and other security devices and systems to ensure access is based on the philosophy of least privileges.**  **VPS is continuously monitoring its security environment and reviews and updates all security plans at least annually. VPS will inform the State in writing within thirty (30) days of strategy updates.**  **VPS' System Security Plan addresses all the NIST 800-53 security controls (for a Moderate level system) and PCI security requirements. These controls are tested several times annually, and all vulnerabilities are tracked and reviewed by outside security assessors. VPS has never had a security breach of sensitive or protected data reported to us.** |

* + - 1. The Contractor must design a solution that adheres to the latest NIST standards and best practices governing management of user accounts. Examples include time-driven auto disablement, account deletion, locking of accounts, maintenance of user profile data following deletion. The Contractor’s solution must integrate with the State’s single sign on solution, Access Indiana, for State Entity user access. Access Indiana requirements can be found in Attachment N-Access Indiana Requirements. The Contractor's portal support approach must allow single sign-on capability to associated State Entity systems (INtax, Uplink, SOS Corporations). Please provide a detailed description of your company’s ability to meet all requirements in Attachment J1- Scope of Work- Security Requirements, Section 1.4.3.2 (1)(d)(i). Additionally, please describe the architecture and implementation steps you plan to use to meet Single Sign-On requirements. Will each State Entity manage its own credentialing, or will the Contractor be responsible for providing an authentication mechanism for all systems? Please clearly describe how your Single Sign-On solution will support this.

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| **Value Payment Systems maintains a comprehensive security and privacy plan based and formatted on the NIST 800-53 security controls. This document, the VPS System Security Plan, is maintained by the Director of Network Security and contains over 130 separate security controls. The plan includes the controls for securing the management, operational, and technical security controls. Also attached to this plan are the Contingency Plan, the Incident Response Plan, the Security Awareness and Training Plan, and the Configuration Plan. Each of these sub-plans contains detailed specifications and instructions on for each relative subject. VPS does not publish the contents of any of the plans but can discuss particular controls and mitigations as desired by clients.**  **For single sign-on, users can create an account in VPS system, and they can login across multiple products using this. This feature is also available as API, where VPS can integrate with the State Entity’s preferred software integrator for single sign-on.** |

* + - 1. The Contractor shall host a secure SFTP site on which the State can place end user load files. The Contractor’s standard method of data transmittal shall be through the exchange of flat files via a secure SFTP process, allowing the transfer of files between two sites using the Internet’s TCP/IP protocol. Utilizing SFTP, the State and Contractor shall exchange files securely via the Internet or a private network (Extranet). Please provide a detailed description of your company’s ability to meet all criteria as set forth in Attachment J1 – Scope of Work- Security Requirements, Section 1.4.3.2.(1).(d).(ii).

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| **VPS will host a secure FTP (SFTP) to facilitate exchange of financial data. The VPS standard method of data transmittal will be through the exchange of flat files via a secure FTP (SFTP) process, allowing the transfer of files between two sites using the internet’s TCP/IP protocol. Utilizing SFTP, the State and VPS will exchange files securely via the Internet or a private network (Extranet).**  **The VPS FTP will provide:**   * **Automated exchange of financial data** * **Safeguards against unauthorized access or manipulation of State data** * **Cost-effective file transfer** * **Superior levels of service and support** |

* + - 1. The Contractor must have in place a Privacy Program with a designated single point of contact for all privacy matters (comparable to a Chief Privacy Officer, Vice President of Privacy or similar). Please provide a detailed description of your company’s ability to meet the Privacy requirements set forth in Attachment J1- Scope of Work – Security Requirements, Section 1.4.3.2 (1)(e). Please include an example Privacy Program that your company has established for a client of comparable size to the State of Indiana.

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| **VPS’ head of information security and compliance is responsible for ensuring VPS complies with all regulations from a privacy, security, reliability, and redundancy standpoint and supports all required audits.**    **VPS’ Information Security & Compliance Officer, manages VPS' security and infrastructure, including Privacy. This individual has more than 15 years of experience in information technology, security, risk management, as well as regulatory compliance and audit experience. Duties include ensuring compliance with relevant information security and privacy requirements, staying current with security standards, trends, and technologies, managing vulnerability and technology risk assessments, as well as planning risk mitigation strategies.**  **Value Payment Systems maintains a comprehensive security and privacy plan based and formatted on the NIST 800-53 security controls. This document, the VPS System Security Plan, is maintained by the Director of Network Security and contains over 130 separate security controls. The plan includes the controls for securing the management, operational, and technical security controls. Also attached to this plan are the Contingency Plan, the Incident Response Plan, the Security Awareness and Training Plan, and the Configuration Plan. Each of these sub-plans contains detailed specifications and instructions on for each relative subject. VPS does not publish the contents of any of the plans but can discuss particular controls and mitigations as desired by clients.** |

* + - 1. The Contractor must provide a solution that keeps a secure, electronically-generated, time-stamped audit trail to independently record the date and time of operator entries and actions that create, modify, or delete electronic records of note; with the audit trail capable of providing ability to view the data before the change, as well as the new information and information concerning who made the change. Please provide a detailed description of how your company’s solution will meet all the security audit requirements set forth in Attachment J1- Scope of Work- Security Requirements, Section 1.4.3.2(1)(g).

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| **Audit trails that meet the State’s requirements are enabled (active system tracking logs) on all system components within the cardholder data network (e.g., server event logs, web server logs, firewall logs, payment application logs, etc.). Only individuals who have job-related requirements have access to audit trail files. All audit trail logs are reviewed daily (e.g., System logs, IDS logs, firewall logs, web logs, etc.). VPS will retain audit trail logs for 12 months and see that the past three months’ logs are available for immediate review.**  **VPS undergoes a third-party SOC 2, Type II audit annually. A SOC 3 report, providing evidence of SOC 2 compliance, will be provided to the State.** |

* + - 1. Please provide a detailed description of your company’s ability to meet all requirements security requirements regarding processing environment testing and vulnerability set forth in Attachment J1- Scope of Work- Security Requirements, Section 1.4.3.2 (1)(h). This narrative must include specific details on all required assessments, monitoring plans, vulnerability scans, penetration tests, Cybertrust Security Enterprise Certification, and required certifications. Please also provide a detailed listing of the Intrusion Detection and Intrusion Prevention, and Distributed Denial of Service (DDOS) products that will be utilized as part of the State of Indiana payment processing solution.

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| **As a payment services provider processing in excess of 5 million transactions annually, VPS maintains a Tier 1 – Service Provider PCI compliance status. This status requires constant monitoring for security breaches, security weaknesses, and effective security controls on PII. As part of this compliance, VPS also submits to an annual security audit by a PCI-Qualified Security Assessor, which creates a report on compliance. The PCI compliance approval is completed by our QSA annually to ensure no gaps in compliance.**    **VPS has provided a copy of our latest PCI DSS Attestation of Compliance for the State's review.**  **VPS' System Security Plan addresses all the NIST 800-53 security controls (for a Moderate level system) and PCI security requirements. These controls are tested several times annually, and all vulnerabilities are tracked and reviewed by outside security assessors. VPS' system is penetration tested on a regular basis, as is required by PCI.**  **ASV scans are completed by the PCI SSC Approved Scanning Vendor Qualys.**  **VPS maintains a secure firewall and uses an automated system with its firewalls to restrict specific IP addresses based on suspicious behavior. This Intrusion Detection and Prevention System will temporarily or permanently block or disable IP addresses that attempt to access VPS systems without authorization or in manners that do not fall within the tolerances of normal traffic. Many of these IP addresses are from overseas high-risk areas.** |

* + - 1. The Contractor shall maintain set(s) of documents, instructions, and procedures which enable the Contractor to respond to accidents, disasters, emergencies, or threats without any stoppage or hindrance in its key operations (“Business Continuity Requirements”). Please provide an example of the Business Continuity plan that your company has in place for a client of comparable size to the State of Indiana inclusive of all instructions and procedures. Provide clear explanation of where your Disaster Recovery approach differs from that prescribed by the State. Please review the following State of Indiana Disaster Recovery site and confirm that all requirements are included in your company’s documents/instructions/procedures: <http://www.in.gov/iot/2336.htm> Please outline any State requirements that are not included in your current plan and how they will be incorporated.

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| **Upon alert or notification that the primary operations site is impaired, VPS' personnel enact the established Contingency Plan (i.e., Disaster Recovery Plan). This first step of the plan describes the procedure for communicating the operational difficulty through the VPS organization and clients, with specific contact data and time requirements. The second step describes how to make an initial assessment of the type of impairment and based on the type which troubleshooting actions to perform.**  **Value Payment Systems maintains a comprehensive security and privacy plan based and formatted on the NIST 800-53 security controls. This document, the VPS System Security Plan, is maintained by the Director of Network Security and contains over 130 separate security controls. The plan includes the controls for securing the management, operational, and technical security controls. Also attached to this plan are the Contingency Plan, the Incident Response Plan, the Security Awareness and Training Plan, and the Configuration Plan. Each of these sub-plans contains detailed specifications and instructions on for each relative subject. VPS does not publish the contents of any of the plans but can discuss particular controls and mitigations as desired by clients.** |

* + - 1. Does your solution provide capability for password encryption that is FIPS 140-2 compliant before the password is recorded in the data repository? Please describe the various types of encryption used for data at rest, specifying by data type (PII, PHI, other sensitive data). Describe how/when encryption is applied (using data flow or process flow diagrams).

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| **VPS adheres to FIPS 140-2 standards. Both data in transit and data at rest is encrypted at minimum TLS 1.2 with custom cipher listing to remove unsecure encryption types.**  **VPS utilizes point-to-point encryption (P2PE) on point-of-sale devices, which means the data flow is encrypted and helps prevent it from being compromised.**  **VPS can also implement a tokenization program if desired by the State Entity. The State Entity payor can be redirected to a VPS hosted page to enter credit card information. VPS will generate an encrypted token from this data and return a reference ID for this saved method to the State Entity. The State Entity can charge the customer using this reference ID whenever needed. This process of tokenization saves the State Entity from storing sensitive credit card information on their end.** |

* + - 1. When creating applications for clients, in the application design, where does the application store application security data (such as user accounts, security policies)? Please describe your approach/process.

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| **This will be stored in encrypted format in the database. For encryption, VPS adheres to FIPS 140-2 standards. Both data in transit and data at rest is encrypted at minimum TLS 1.2 with custom cipher listing to remove unsecure encryption types.** |

* + - 1. Please describe any instances where Contractor applied data de-identification on behalf of a client.

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| **Value Payment Systems does not store Protected Information, such as Health Information (PHI) in our databases. We do keep Personally Identifiable Information (PII) in our databases as it pertains to payments that we process. Our systems and payment platform are SOC 2 compliant. If the need should arise where data de-identification is required, we can comply with that requirement.** |

* + - 1. Please describe any instances where security root cause analysis was utilized on behalf of a client.

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| **Root cause analysis is used as part of our Incident and Security Incident Procedures.** |

* + - 1. Please describe your secure login process for payment processing.

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| **All integrations are via APIs, and APIs are secured by Credentials.**  **Standalone websites will allow users to create profiles, but VPS never shows sensitive data prepopulated on the website.** |

* + - 1. Please explain your approach to, and provide examples of, security and privacy metrics reporting.

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| **VPS currently tracks security and privacy metrics internally. These reports are not released outside of VPS.** |

* + - 1. Please describe your companies use of coding security best practices and key secure coding standards used within any development work and/or applications used by your company.

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| **VPS uses SonarQube, an open-source platform developed by SonarSource for continuous inspection of code quality. SonarQube is implemented within VPS’ application development pipeline to continually scan our code libraries for OWASP and SANS 25 vulnerabilities.** |