**VPS Best and Final Offer (BAFO)   
for State of Indiana Request for Proposal 20-1351**

The VPS team appreciates the opportunity to provide additional context and clarity around the pricing model provided within our RFP response. As the State of Indiana is a highly valued partner of VPS, our initial pricing model provided highly competitive and realistic pricing based on our experience supporting the range of Indiana State Agency environments. As described below, this BAFO further improves our pricing model for Indiana in several key areas.

Based on VPS’ FY 2020 data, implementing our proposed best and final offer convenience fee pricing across existing VPS State of Indiana Agency environments would result in constituents saving of approximately 33% in the PIN and PINless Debit convenience fee rate and a 14% reduction in the effective credit rate. As part of the BAFO, VPS has also reduced the proposed ACH and eCheck convenience fee by 24% and 34% in the first two volume tiers and up to an overall decrease of 60% from current QPA pricing. In addition, VPS has waived any ancillary returned item charges or chargeback fees, previously $1.50 per event, eliminating a variable budget item and reducing the overall cost of program management for State Agencies.

For merchant-funded departments, Agencies can save an average of 28% per credit or debit ticket and 40% per ACH or eCheck transaction relative to the existing QPA pricing model.

Finally, as a special offer, VPS is providing a reduced PayPal Credit rate of 1.99%. This new and rapidly growing payment method offers constituents a low-cost credit funding instrument and has proven to be an in-demand and widely used option. When deployed successfully, VPS’ PayPal Credit option has the potential to reduce your constituents’ effective credit rate by 24%. In addition, merchants can experience a transaction lift of 15 to 17% when a PayPal Credit banner is introduced on their payment webpage. For our current government client base, VPS actively processes hundreds of millions of dollars through PayPal, including PayPal, PayPal Credit, and Venmo, with this option successfully offsetting tens of millions of dollars of government liability, ensuring Agencies get funds more quickly and reliably.

Our team thanks the State of Indiana for the opportunity to partner in providing state-of-the-art payment solutions for citizens and stakeholders since 2012, and for the opportunity to propose the next generation of online payment options and features in a package that reduces costs to citizens and to the State. We look forward to continuing to partner with you and your teams to ensure Indiana is a leader in delivering convenient and affordable online government services and payment solutions.