

**A G R E E M E N T**

**THIS AGREEMENT** (the "Agreement") is made and entered into this 27 day of October, 2014, by and between the CITY OF FRESNO, a Municipal Corporation within the State of California ("CITY") and Heartland Payment Systems, Inc. whose address is 90 Nassau Street, Princeton, NJ 08542 ("CONTRACTOR").

**WITNESSETH:**

**Whereas**, the CITY collects fees, fines and/or other types of monetary obligations from individuals and/or entities subject to its jurisdiction; and

**Whereas**, the CITY desires to permit payment of amounts owed to it by means of electronic transactions; and

**Whereas**, CONTRACTOR offers electronic check payment and processing transaction services and credit/debit card payment transaction services through an Internet interface and an interactive telephone voice response system ("IVR");

**NOW, THEREFORE**, in consideration of the foregoing premises and the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CITY and CONTRACTOR agree as follows:

**I. DEFINITIONS**

*"CITY Designated Account"* means the direct deposit/debit account(s) established and maintained by CITY at an Automated Clearing House ("ACH") receiving depository institution reasonably acceptable to CONTRACTOR for payment of Citizen obligations and debit of Chargebacks, Return Transactions, fines and fees.

*"CITY Payment"* means any payment that is owed to CITY by a third party and paid through a Payment Transaction.

*"Card Services"* means the services provided by CONTRACTOR relating to credit card and/or debit card services provided in accordance with this Agreement inclusive of payment and electronic funds transfer which enable Payment Transactions to be processed.

1           “*Chargeback*” means the reversal of a Payment Transaction previously credited to a  
2 CITY Designated Account.

3           “*Citizen*” means the person, business or entity that initiates and makes payment of the  
4 CITY Payment and Convenience Fee through a Payment Transaction.

5           “*Co-Brand*” means an electronic transaction containing payment and identification data  
6 which is initiated by the Citizen on the CITY website, then transferred to a CONTRACTOR web  
7 page where the Citizen completes the transaction and is provided with a confirmation of the  
8 Payment Transaction.

9           “*Co-Brand Plus*” means an electronic transaction containing payment and identification  
10 data which is initiated by the Citizen on the CITY website, then transferred to a  
11 CONTRACTOR web page where the Citizen completes the transaction. The Citizen is  
12 subsequently transferred back to the CITY web site along with confirmation of the Payment  
13 Transaction.

14           “*Convenience Fee*” means the fee charged to a Citizen by CONTRACTOR for the  
15 convenience of Citizen making CITY Payments by use of the Services. The convenience fee  
16 schedule is set forth in Exhibit B – Fee Schedule.

17           “*Electronic Check Services*” means the services provided by CONTRACTOR relating to  
18 electronic check services provided in accordance with this Agreement inclusive of payment  
19 and electronic funds transfer that enable Payment Transactions to be processed.

20           “*CONTRACTOR System*” means CONTRACTOR’s and its Suppliers’ electronic payment  
21 processing system including but not limited to its technology, hardware, software and  
22 equipment.

23           “*Payment Transaction*” means an electronic payment transaction initiated by a Citizen by  
24 electronic check or by credit and/or debit card as provided below, at the CONTRACTOR’s or  
25 CITY’s website or IVR, as applicable, and processed by CONTRACTOR and/or its Suppliers  
26 under this Agreement.

27           “*PCI*” means the Payment Card Industry (PCI) Data Security Standard, the result of  
28 collaboration between Visa and MasterCard to create common industry security requirements.

1        “Return Transaction” means a Payment Transaction that is unable to be processed by a  
2 Citizen’s depository financial institution.

3        “Return Transaction Fee” means the fee charged to CITY pursuant to Exhibit B – Fee  
4 Schedule.

5        “Services” means the Card Services and/or Electronic Check Services provided by  
6 CONTRACTOR and its Suppliers pursuant to this Agreement.

7        “Simple Transaction Processor” (STP) means an electronic transaction and return  
8 confirmation containing payment and identification data, initiated and received by the Citizen  
9 on the CITY website, without a link or transfer to a CONTRACTOR web page.

10       “Suppliers” means CONTRACTOR authorized vendors including, but not limited to,  
11 ACH processor(s).

12 **II. OBLIGATIONS OF THE CONTRACTOR**

13 The CONTRACTOR’s obligations include the following:

14 1. Electronic Check Services

- 15       a. CONTRACTOR shall provide Citizens with the opportunity to make CITY  
16 Payments by electronic check through an Internet interface and through an IVR  
17 system.
- 18       b. CONTRACTOR shall provide real time processing of electronic check  
19 transactions, validate the bank transit routing number, validate the ACH eligibility  
20 of the bank transit routing, determine that the dollar amount is below or equal to  
21 the maximum and above or equal to the minimum specified by the CITY, validate  
22 checking account number for structure, validity, and check against a negative file  
23 in an established proprietary database.
- 24       c. CONTRACTOR shall create a transaction file and forward Payment Transactions  
25 to the ACH, electronically debiting the Citizens bank account and crediting the  
26 CITY Designated Account.
- 27       d. CONTRACTOR shall settle CITY Payments into the CITY Designated Account  
28 within three (3) business days following the completion date of the Payment

1 Transaction.

- 2 e. CONTRACTOR shall confirm the dollar amount of each CITY Payment made by  
3 Citizens and the corresponding Convenience Fees to be electronically debited  
4 from the Citizen's designated demand deposit account, and obtain the Citizen's  
5 authorization (electronic or otherwise) of such transaction prior to initiating the  
6 transaction.
- 7 f. CONTRACTOR shall provide the Citizen with electronic confirmation of the  
8 electronic check transaction; retain electronic check authorization logs and  
9 transaction records for such period of time as required by applicable law and the  
10 regulations of the National Automated Clearing House Association ("NACHA").
- 11 g. CONTRACTOR shall arrange for a unique check descriptor for the CITY  
12 Payment that references the name of the CITY and arrange for a separate  
13 unique check description for the Convenience Fee that references  
14 CONTRACTOR and the nature of the fee. This description is used to identify  
15 payment transactions and the convenience fee on the Citizens bank statement.
- 16 h. CONTRACTOR shall provide CITY with a daily report detailing Payment  
17 Transactions and Chargeback transactions.

18 **2. Credit/Debit Card Services**

- 19 a. CONTRACTOR shall provide Citizens the opportunity to make CITY Payments  
20 by credit card and debit card through both an IVR and Internet interface.
- 21 b. CONTRACTOR shall, on behalf of CITY, collect and process CITY Payments  
22 from Citizens using the American Express<sup>®</sup> Card, MasterCard<sup>®</sup>, VISA<sup>®</sup>,  
23 Discover<sup>®</sup> Card or other credit card mutually agreed upon by CITY and  
24 CONTRACTOR (each, a "Card").
- 25 c. CONTRACTOR may begin providing the Services to Citizens immediately after  
26 Agreement is signed.
- 27 d. CITY authorizes CONTRACTOR to debit the CITY Designated Account in  
28 connection with:

- 1                   i. any Card transaction reversed by any card issuer or brand.
- 2                   ii. any Chargeback Card transaction that is initiated by a Citizen
- 3                   iii. any electronic check returned for any reason.
- 4 e. CONTRACTOR shall refund to the Citizen the corresponding Convenience Fee.
- 5       The CITY will not refund in cash to a Citizen any CITY Payment made by a
- 6       Citizen using CONTRACTOR Services.
- 7 f. CONTRACTOR shall forward CITY Payment Transactions to the appropriate
- 8       Card organizations for settlement to the CITY Designated Account.
- 9       CONTRACTOR shall retain all Convenience Fees collected by it under this
- 10       Agreement. If CONTRACTOR is unable to collect all amounts owed by CITY
- 11       under this Agreement through debiting the CITY Designated Account, CITY shall
- 12       promptly pay all owed amounts to CONTRACTOR in immediately available
- 13       funds.
- 14 g. CONTRACTOR shall confirm the dollar amount of a Citizen's CITY Payment and
- 15       the corresponding convenience fees to be charged to his/her Card and obtain the
- 16       Citizen's approval (electronic or otherwise) of such charges before initiating credit
- 17       authorizations.
- 18 h. CONTRACTOR shall provide Citizens with electronic confirmation of Card
- 19       transactions.
- 20 i. For authorization purposes, CONTRACTOR shall electronically transmit all Card
- 21       transactions to the appropriate Card-processing center, in real time as the
- 22       transactions occur.
- 23 j. CONTRACTOR shall retain Card authorization logs and transaction records for
- 24       such period of time as required by applicable law and the regulations of the
- 25       respective Card organizations.
- 26 k. CONTRACTOR shall arrange for a unique line merchant descriptor for the CITY
- 27       Payment that references the name of CITY and arrange for a separate unique
- 28       line merchant description for the Convenience Fee that references

1 CONTRACTOR and the nature of the fee.

- 2 i. CONTRACTOR shall provide CITY with logos, graphics, and other appropriate  
3 materials for Display at CITY offices, announcing the acceptance of credit cards  
4 and eChecks for payment for CITY's use in its communications with Citizens.  
5 m. CONTRACTOR shall provide CITY with reports summarizing use of the Services  
6 by Citizens for a given reporting period.

7 **III. OBLIGATIONS OF THE CITY**

8 The CITY's obligations include the following:

9 1. CITY Credit Card and Electronic Check Obligations

- 10 a. With respect to all Chargebacks and returned electronic checks the CITY must  
11 allow direct debiting of the CITY'S Designated Account for the amount of CITY  
12 Payments previously settled into the CITY Designated Account.  
13 b. Other than permitting CONTRACTOR to charge the Convenience Fees in  
14 accordance with this Agreement, CITY will not impose any surcharge or penalty  
15 on electronic check transactions made by Citizens under this Agreement.  
16 c. If CITY requests a customized reporting format, CITY shall provide  
17 CONTRACTOR with its desired reporting format sufficiently in advance of the  
18 requested report delivery date. Customized reporting formats require  
19 CONTRACTOR'S prior written approval.  
20 d. CITY will not require, as a condition to making a CITY Payment, that a Citizen  
21 agree in any way to waive such person's rights to dispute the transaction with  
22 their banking institution for legitimate reasons.  
23 e. Subject to the restrictions of the section entitled "Intellectual Property", CITY will  
24 publicize the Services to its Citizens at its own expense. These promotions shall  
25 include publishing the relevant URL for the CONTRACTOR Website and relevant  
26 telephone number (as applicable) on all Citizen information printed publications,  
27 citations and notices, and all related materials. CITY will obtain CONTRACTOR'S  
28 consent before publishing any materials that reference the CONTRACTOR, and

1 CITY agrees to incorporate all reasonable changes requested by CONTRACTOR  
2 into any of the publicized material to ensure

- 3 i. the correct usage of the CONTRACTOR trademarks and logos,
- 4 ii. the accuracy of the content, and
- 5 iii. reasonably acceptable graphics and presentation.

- 6 f. CITY shall not unreasonably withhold consent for CONTRACTOR to publish  
7 press releases and/or be a reference for CONTRACTOR, subject to CITY review.
- 8 g. CONTRACTOR shall not unreasonably withhold its consent to publish any  
9 materials.
- 10 h. CITY shall be solely responsible, at its own expense, for acquiring, installing and  
11 maintaining all of its own equipment, software and data communication service,  
12 which is not a part of the CONTRACTOR System.
- 13 i. CITY shall execute and deliver to CONTRACTOR an ACH authorization  
14 Agreement in the format provided by CONTRACTOR to authorize electronic  
15 payments/debits to and/or from the CITY Designated Account, and any other  
16 certificates, instruments or documents as required by applicable laws and  
17 regulations in order to consummate the transactions intended under this  
18 Agreement. CITY will maintain and comply with applicable NACHA rules and  
19 regulations on behalf of itself, its employees, agents and Citizens.

20 **2. CITY Credit/Debit Card Obligations**

- 21 a. If required by the credit card organizations, CITY will enter into all applicable  
22 merchant Card agreements and fully adhere to the rules, regulations and operating  
23 procedures of the various Card organizations with respect to the use of specific  
24 Card logos and marks.
- 25 b. Other than permitting CONTRACTOR to charge the Convenience Fees in  
26 accordance with this Agreement, CITY will not impose any surcharge or other  
27 penalty on Card transactions made by Citizens for CITY Payments, (excluding late  
28

1 charges and interest on delinquent accounts and other such City Administrative  
2 Fees).

3 c. If applicable, CITY will provide CONTRACTOR its desired reporting formats  
4 sufficiently in advance of the desired report delivery date.

5 d. CITY will provide to CONTRACTOR all necessary documents and  
6 correspondence in connection with Chargeback transactions or other similar  
7 refund transactions.

8 e. CITY will establish a reasonable adjustment policy to accommodate adjustments  
9 that are required in the normal course of CITY'S daily operations.

10 f. CITY will not require, as a condition to making a CITY Payment, that a  
11 Cardholder agrees in any way to waive such person's rights to dispute the  
12 transaction with the Card issuer for legitimate reasons.

13 g. CITY will publicize the Services to its Citizens. These publications shall include  
14 publishing the relevant telephone number and URL for the payment portal  
15 website on all taxpayer information publications, citations and notices, as  
16 applicable and all related publications. CITY will obtain CONTRACTOR'S  
17 consent prior to publishing any materials that reference the Services and/or  
18 CONTRACTOR.

19 **IV. TERM:**

20 This Agreement shall become effective upon the signing of this Agreement. The term of this  
21 Agreement shall be for three (3) years. This Agreement shall renew for two (2) successive one  
22 (1) year periods unless written notice of nonrenewal is given by either party not later than sixty  
23 (60) days before each termination date.

24 **V. TERMINATION:**

25 1. Non-Allocation of Funds

26 This Agreement shall terminate without any liability of the CITY to CONTRACTOR  
27 upon the CITY'S non-appropriation of funds sufficient to meet its obligations hereunder  
28 during any CITY fiscal year of this Agreement, or insufficient funding for the Project.

1           2.           Breach of Contract

2           The CITY may immediately suspend or terminate this Agreement in whole or in part,  
3           where in the determination of the CITY there is an illegal or improper use of funds, or  
4           when CONTRACTOR fails to cure a breach within the reasonable period provided in  
5           subparagraph 2 below if CONTRACTOR fails to provide the Services according to the  
6           terms of this Agreement, prior to exercising any right of termination, CITY must:

- 7           a. notify CONTRACTOR of such breach; and  
8           b. give CONTRACTOR a reasonable period to cure, depending on the nature of  
9           the breach. The parties shall agree on the duration of such reasonable period  
10          in writing; and if, CONTRACTOR is unable to cure within such time, CITY may  
11          terminate the Agreement subject to the terms of this Agreement.

12          3.          If this Agreement is terminated, regardless of cause, CITY agrees that all  
13          obligations and liabilities of CITY with respect to any Sales Draft or Credit Voucher  
14          presented prior to the effective date of termination shall survive such termination.

15          4.          The provisions governing processing and settlement of Card Transactions, all  
16          related adjustments, fees and other amounts due from CITY and the resolution of any  
17          related Chargebacks, will continue to apply after termination of this Agreement until all  
18          Card Transactions made prior to such termination are settled or resolved. Upon  
19          termination of this Agreement, CITY agrees to promptly send CONTRACTOR all data  
20          relating to Card Transactions made to the date of termination.

21          5.          In no event shall any payment by the CITY constitute a waiver by the CITY of any  
22          breach of this Agreement or any default which may then exist on the part of the  
23          CONTRACTOR. Neither shall such payment impair or prejudice any remedy available  
24          to the CITY with respect to the breach or default. The CITY shall have the right to  
25          demand of the CONTRACTOR the repayment to the CITY of any funds disbursed to  
26          the CONTRACTOR under this Agreement, which were not expended in accordance  
27          with the terms of this Agreement. The CONTRACTOR shall promptly refund any such  
28          funds upon demand.

1 6. Without Cause - Under circumstances other than those set forth above, this  
2 Agreement may be terminated by CITY upon the giving of sixty (60) days advance  
3 written notice of an intention to terminate to CONTRACTOR.

4 **VI. COMPENSATION/INVOICING:**

5 1. Electronic Check, Credit and Debit Card Chargeback Fees and Charges

6 CONTRACTOR will receive fees for Services in accordance with the rates set forth on  
7 Exhibit B – Fee Schedule, which is incorporated into this Agreement by reference.  
8 CONTRACTOR may charge a Convenience Fee for each Payment Transaction. The  
9 Convenience Fee is processed in addition to the corresponding CITY Payment. This is  
10 accomplished in two separate transactions. (This is required for the Convenience Fee to  
11 be shown on the Citizen's statement as being paid to Heartland Payment Systems.)  
12 The Convenience Fee will be charged to Citizens. During the term of this Agreement,  
13 CONTRACTOR may invoice CITY for any other amounts owed by CITY under this  
14 Agreement, including, but not limited to, Chargebacks, Chargeback fees, deposit  
15 charges, refunds, Returned Transaction Fees, and ACH debits that previously overdrew  
16 the CITY Designated Account. Notwithstanding the foregoing, Chargeback fees and  
17 Returned Transaction Fees will be limited to a total of Five-Thousand Dollars (\$5,000)  
18 per calendar year for the term of this Agreement and any renewals thereof.

19 2. Credit/Debit Card Fees

20 CONTRACTOR may charge Citizens a Convenience Fee for each Card transaction  
21 processed, to be collected in addition to the corresponding CITY Payment. A schedule  
22 of the Convenience Fees for Credit/Debit card Payment Transactions is attached to this  
23 Agreement as Exhibit B – Fee Schedule. Except for any transaction costs to be paid by  
24 CITY as set forth in Exhibit B, CONTRACTOR shall not charge CITY a fee in  
25 consideration for CONTRACTOR providing the Card Services to Citizens.  
26 Enhancements to the Services or additional services not provided for in this Agreement,  
27 and any related fees payable by CITY in connection therewith, will be mutually agreed  
28 upon by CONTRACTOR and CITY by an amendment to this Agreement and at no time

1 shall cumulatively exceed Forty-Nine Thousand Dollars (\$49,000) over the term of this  
2 Agreement and any renewals thereof.

3 3. CITY Designated Account

4 Prior to any Payment Transaction, CITY will establish a CITY Designated Account and  
5 will provide CONTRACTOR with the electronic record specifications necessary for funds  
6 settlement and the posting of CITY Payment data related to payments. CITY shall  
7 maintain such account during the term of this Agreement and for at least ninety (90)  
8 days after expiration or termination for any reason. CITY agrees to pay CONTRACTOR  
9 the amount it owes under this Agreement upon demand, together with all costs and  
10 expenses incurred to collect that amount, including reasonable attorneys' fees. The  
11 authority granted by this Section shall survive the termination of this Agreement until all  
12 transactions processed under this agreement are settled or resolved.

13 4. In no event shall compensation paid by CITY to CONTRACTOR under this Agreement  
14 be in excess of Forty-Nine Thousand Dollars (\$49,000) during the term of this  
15 Agreement and any renewals thereof. It is understood that all expenses incidental to  
16 CONTRACTOR'S performance of services under this Agreement shall be borne by  
17 CONTRACTOR.

18 **VII. INDEPENDENT CONTRACTOR**

19 In performance of the work, duties and obligations assumed by CONTRACTOR under this  
20 Agreement, it is mutually understood and agreed that CONTRACTOR, including any and all of  
21 the CONTRACTOR'S officers, agents, and employees will at all times be acting and performing  
22 as an independent contractor, and shall act in an independent capacity and not as an officer,  
23 agent, servant, employee, joint venturer, partner, or associate of the CITY. Furthermore, CITY  
24 shall have no right to control or supervise or direct the manner or method by which  
25 CONTRACTOR shall perform its work and function. However, CITY shall retain the right to  
26 administer this Agreement so as to verify that CONTRACTOR is performing its obligations in  
27 accordance with the terms and conditions thereof. CONTRACTOR and CITY shall comply with  
28 all applicable provisions of law and the rules and regulations, if any, of governmental

1 authorities having jurisdiction over matters the subject thereof. Because of its status as an  
2 independent contractor, CONTRACTOR shall have absolutely no right to employment rights  
3 and benefits available to CITY employees. CONTRACTOR shall be solely liable and  
4 responsible for providing to, or on behalf of, its employees all legally-required employee  
5 benefits. In addition, CONTRACTOR shall be solely responsible and save CITY harmless from  
6 all matters relating to payment of CONTRACTOR'S employees, including compliance with  
7 Social Security withholding and all other regulations governing such matters. It is  
8 acknowledged that during the term of this Agreement, CONTRACTOR may be providing  
9 services to others unrelated to the CITY or to this Agreement.

10 1. Modification

11 This Agreement may not be modified or amended except by a separate written agreement  
12 of both parties.

13 2. Non-Assignment

14 Neither party shall assign, transfer or sub-contract this Agreement nor their rights or duties  
15 under this Agreement, with the exception of the CONTRACTOR, without the prior written  
16 consent of the other party. The CONTRACTOR may not assign, transfer, or sub-contract  
17 any of its rights or duties under this Agreement to a wholly-owned subsidiary without  
18 advance written notice to the CITY.

19 3. Hold Harmless

20 CONTRACTOR agrees to indemnify, save, hold harmless, and at CITY'S request, defend  
21 the CITY, its officers, agents, employees and volunteers from any and all costs and  
22 expenses, damages, liabilities, claims, and losses occurring or resulting to CITY which are  
23 directly related to the performance, or failure to perform, by CONTRACTOR, its officers,  
24 agents, or employees under this Agreement, provided that any and all such cost, loss,  
25 liability, damage, judgment, cause of action, claim, expense, penalty or fine is the result of  
26 the negligence or misconduct of the CONTRACTOR, its officers, directors or employees.

27 **VIII. LIMITATION OF LIABILITY:**

28 1. In no event shall CONTRACTOR be liable for special, consequential, indirect, or

1 exemplary damages, including lost profits, revenues, and business opportunities. The  
2 provisions of this paragraph shall survive the termination of this Agreement. Without  
3 limitation of the foregoing, CONTRACTOR shall not be liable to CITY for delays in data  
4 transmission that occur after CONTRACTOR has attempted to transmit data timely.

- 5 2. CONTRACTOR makes no warranty whatsoever regarding card authorizations, declines or  
6 referral codes by card organizations, and responses by card organizations to requests for  
7 authorizations, processing, or settlement. CONTRACTOR shall have no liability to CITY or  
8 any other person for any indirect loss, liability or damage arising from its performance of  
9 this Agreement. Without limitation of the foregoing, CITY acknowledges that  
10 CONTRACTOR has no liability or responsibility for the actions of any Card Brand, Card  
11 Issuer, or Cardholder.

12 **IX. INSURANCE**

13 Coverage shall be at least as broad as:

14 1. The most current version of Insurance Services Office (ISO) Commercial General Liability  
15 Coverage Form CG 00 01, providing liability coverage arising out of your business operations.  
16 The Commercial General Liability policy shall be written on an occurrence form and shall  
17 provide coverage for "bodily injury," "property damage" and "personal and advertising injury"  
18 with coverage for premises and operations (including the use of owned and non-owned  
19 equipment), products and completed operations, and contractual liability (including, without  
20 limitation, indemnity obligations under the Agreement) with limits of liability not less than those  
21 set forth under "Minimum Limits of Insurance."

22 2. The most current version of ISO \*Commercial Auto Coverage Form CA 00 01, providing  
23 liability coverage arising out of the ownership, maintenance or use of automobiles in the  
24 course of your business operations. The Automobile Policy shall be written on an occurrence  
25 form and shall provide coverage for all owned, hired, and non-owned automobiles or other  
26 licensed vehicles (Code 1- Any Auto). If personal automobile coverage is used, the CITY, its  
27 officers, officials, employees, agents and volunteers are to be listed as additional insureds.

28 3. Workers' Compensation insurance as required by the State of California and Employer's

1 Liability Insurance.

2 4. Professional Liability (Errors and Omissions) insurance appropriate to CONTRACTOR'S  
3 profession.

4 **MINIMUM LIMITS OF INSURANCE**

5 CONTRACTOR, or any party the CONTRACTOR subcontracts with, shall maintain limits of  
6 liability of not less than those set forth below. However, insurance limits available to CITY, its  
7 officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of  
8 the minimum limits specified herein or the full limit of any insurance proceeds available to the  
9 named insured:

10 1. **COMMERCIAL GENERAL LIABILITY:**

- 11 (i) \$1,000,000 per occurrence for bodily injury and property damage;  
12 (ii) \$1,000,000 per occurrence for personal and advertising injury;  
13 (iii) \$2,000,000 aggregate for products and completed operations; and,  
14 (iv) \$2,000,000 general aggregate applying separately to the work performed  
15 under the Agreement.

16 2. **COMMERCIAL AUTOMOBILE LIABILITY:**

17 \$500,000 per accident for bodily injury and property damage.

18 OR\*

19 **PERSONAL AUTOMOBILE LIABILITY** insurance with limits of liability not less than:

- 20 (i) \$100,000 per person;  
21 (ii) \$300,000 per accident for bodily injury; and,  
22 (iii) \$50,000 per accident for property damage.

23 3. **WORKERS' COMPENSATION INSURANCE** as required by the State of California with  
24 statutory limits.

25 4. **EMPLOYER'S LIABILITY:**

- 26 (i) \$1,000,000 each accident for bodily injury;  
27 (ii) \$1,000,000 disease each employee; and,  
28 (iii) \$1,000,000 disease policy limit.

1 5. PROFESSIONAL LIABILITY (Errors and Omissions):

2 (i) \$1,000,000 per claim/occurrence; and,

3 (ii) \$2,000,000 policy aggregate.

4 UMBRELLA OR EXCESS INSURANCE

5 In the event CONTRACTOR purchases an Umbrella or Excess insurance policy(ies) to meet  
6 the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no  
7 less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess  
8 insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of  
9 the CITY, its officers, officials, employees, agents and volunteers.

10 DEDUCTIBLES AND SELF-INSURED RETENTIONS

11 CONTRACTOR shall be responsible for payment of any deductibles contained in any  
12 insurance policy(ies) required herein and CONTRACTOR shall also be responsible for  
13 payment of any self-insured retentions. Any deductibles or self-insured retentions must be  
14 declared on the Certificate of Insurance and approved by the CITY'S Risk Manager or his/her  
15 designee. At no time shall CITY be responsible for the payment of any deductibles or self-  
16 insured retentions

17 OTHER INSURANCE PROVISIONS/ENDORSEMENTS

18 The General Liability and Automobile Liability insurance policies are to contain, or be endorsed to  
19 contain, the following provisions:

20 1. CITY, its officers, officials, employees, agents and volunteers are to be covered as  
21 additional insureds.

22 2. The coverage shall contain no special limitations on the scope of protection afforded to  
23 CITY, its officers, officials, employees, agents and volunteers. Any available insurance  
24 proceeds in excess of the specified minimum limits and coverage shall be available to the  
25 Additional Insured.

26 3. For any claims related to this Agreement, CONTRACTOR'S insurance coverage shall be  
27 primary insurance with respect to the CITY, its officers, officials, employees, agents and  
28 volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials,

1 employees, agents and volunteers shall be excess of CONSULTANT'S insurance and shall  
2 not contribute with it.

3 The Workers' Compensation insurance policy is to contain, or be endorsed to contain, the  
4 following provision: CONTRACTOR and its insurer shall waive any right of subrogation against  
5 CITY, its officers, officials, employees, agents and volunteers.

6 If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made  
7 form:

8 1. The retroactive date must be shown, and must be before the effective date of the  
9 Agreement or the commencement of work by CONTRACTOR.

10 2. Insurance must be maintained for at least five (5) years after completion of the Agreement  
11 work or termination of the Agreement.

12 3. If coverage is canceled or non-renewed, and not replaced with another claims made policy  
13 form with a retroactive date prior to the effective date of the Agreement or the commencement  
14 of work by CONTRACTOR, CONTRACTOR must purchase "extended reporting" coverage for  
15 a minimum of five (5) years after completion of the Agreement work or termination of the  
16 Agreement, whichever occurs first.

17 4. These requirements shall survive expiration or termination of the Agreement.

18 All policies of insurance required herein shall be endorsed to provide thirty (30) calendar days  
19 written notice to the CITY under the same terms and conditions. Upon issuance by the  
20 insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage,  
21 CONTRACTOR shall furnish CITY with a new certificate and applicable endorsements for  
22 such policy(ies). In the event any policy is due to expire during the work to be performed for  
23 CITY, CONTRACTOR shall provide a new certificate, and applicable endorsements,  
24 evidencing renewal of such policy not less than ten (10) calendar days after the expiration  
25 date of the expiring policy.

#### 26 VERIFICATION OF COVERAGE

27 CONTRACTOR shall furnish CITY with all certificate(s) and applicable endorsements effecting  
28 coverage required hereunder. All certificates and applicable endorsements are to be received

1 and approved by the CITY'S Risk Manager or his/her designee prior to CITY'S execution of the  
2 Agreement and before work commences. All non-ISO endorsements amending policy coverage  
3 shall be executed by a licensed and authorized agent or broker. Upon request of CITY,  
4 CONTRACTOR shall immediately make available to CITY'S legal counsel, at  
5 CONTRACTOR'S corporate headquarters, a complete copy of any insurance policy required  
6 under this Contract, including all endorsements, with said copy certified by the underwriter to  
7 be a true and correct copy of the original policy. This requirement shall survive expiration or  
8 termination of this Agreement. Notwithstanding the foregoing, in no event shall  
9 CONTRACTOR'S policy coverage be reduced below the requirements set forth in this  
10 Agreement.

11 **X. AUDITS AND INSPECTIONS**

12 The CONTRACTOR shall at any time, with reasonable prior notice, during business hours, and  
13 as often as the CITY may deem necessary, make available to the CITY for examination all of its  
14 records and data with respect to the matters covered by this Agreement. The CONTRACTOR  
15 shall, upon request by the CITY, permit the CITY to audit and inspect all of such records and data  
16 necessary to ensure CONTRACTOR'S compliance with the terms of this Agreement.

17 **XI. NOTICES**

18 The persons and their addresses having authority to give and receive notices under this  
19 Agreement include the following:

20  
21 CITY  
22 CITY OF FRESNO  
23 Karen M. Bradley  
24 Assistant Controller  
25 Finance Department, Room 2156  
26 2600 Fresno Street  
27 Fresno, CA 93721

28  
With a copy to:  
Greg Wiles  
Treasury Officer  
Finance Department, Room 2156  
2600 Fresno Street  
Fresno, CA 93721

CONTRACTOR  
Heartland Payment Systems  
General Counsel  
90 Nassau Street  
Princeton, NJ 08542

With a copy to:  
Heartland Payment Systems  
Michael A. Lawler  
570 Devall Dr. Suite 202  
Auburn, AL 36832

1 All notices between the CITY and the CONTRACTOR provided for or permitted under this  
2 Agreement must be in writing and delivered either by personal service, by first-class United  
3 States mail, by an overnight commercial courier service, or by telephonic facsimile transmission.  
4 A notice delivered by personal service is effective upon service to the recipient. A notice delivered  
5 by first-class United States mail is effective three (3) CITY business days after deposit in the  
6 United States mail, postage prepaid, addressed to the recipient. A notice delivered by an  
7 overnight commercial courier service is effective one (1) CITY business day after deposit with the  
8 overnight commercial courier service, delivery fees prepaid, with delivery instructions given for  
9 next day delivery, addressed to the recipient. A notice delivered by telephonic facsimile is  
10 effective when transmission to the recipient is completed (but, if such transmission is completed  
11 outside of CITY business hours, then such delivery shall be deemed to be effective at the next  
12 beginning of a CITY business day), provided that the sender maintains a machine record of the  
13 completed transmission. For all claims arising out of or related to this Agreement, nothing in this  
14 section establishes, waives, or modifies any claims presentation requirements or procedures  
15 provided by law, including but not limited to the Government Claims Act (Division 3.6 of Title 1 of  
16 the Government Code, beginning with section 810).

17 1. VENUE AND GOVERNING LAW

18 Venue for any action arising out of or related to this Agreement shall only be in Fresno  
19 County, California. The rights and obligations of the parties and all interpretation and  
20 performance of this Agreement shall be governed in all respects by the laws of the State  
21 of California.

22 2. DISCLOSURE OF SELF-DEALING TRANSACTIONS

23 This provision is only applicable if the CONTRACTOR is operating as a corporation (a  
24 for-profit or non-profit corporation) or if during the term of the Agreement, the  
25 CONTRACTOR changes its status to operate as a corporation.

26 Members of the CONTRACTOR's Board of Directors shall disclose any self-dealing  
27 transactions that they are a party to while CONTRACTOR is providing goods or  
28 performing services under this Agreement. A self-dealing transaction shall mean a

1 transaction to which the CONTRACTOR is a party and in which one or more of its  
2 directors has a material financial interest. Members of the Board of Directors shall  
3 disclose any self-dealing transactions that they are a party to by completing and signing  
4 a Conflict of Interest Form, attached hereto as Exhibit C and incorporated herein by  
5 reference, and submitting it to the CITY prior to commencing with the self-dealing  
6 transaction or immediately thereafter.

7 3. ENTIRE AGREEMENT

8 This Agreement, Exhibit A (Scope of Services), and Exhibit B (the Fee Schedule), and  
9 Exhibit C (Conflict of Interest Form) constitute the entire Agreement and understanding  
10 between CITY AND CONTRACTOR concerning the subject matter hereof and shall  
11 supersede all prior understanding and agreements written or oral relating to its subject  
12 matter and shall be cumulatively referred to herein as the "Agreement".

13 ///

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1  
2 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of  
3 the day and year first hereinabove written.

4 **CONTRACTOR**



5  
6 Michael A. Lawler, President  
Strategic Markets Group

7 Heartland Payment Systems, Inc.  
8 570 DeVal Drive, Suite 202  
9 Auburn, AL 202

10 Mailing Address

11 DATE: October 24, 2014

12 APPROVED AS TO LEGAL FORM  
13 DOUGLAS T. SLOAN  
14 CITY ATTORNEY

15  10.27.14

16 Deputy DAT SINGH BADTRESHA

17 ATTEST:  
18 YVONNE SPENCE, CMC

19  10-28-2014  
20 Deputy

CITY OF FRESNO



Michael Lima, Finance Director/Controller

DATE: 10/27/14

# Exhibit A

## Scope of Services

### Overview

Heartland has proposed our specialized government solution to the City of Fresno. Our solution includes a **fully hosted** online payment system and a toll-free interactive voice response (IVR) system with robust online reporting for both payment channels. A leader in Point-of-Sale (POS) payment processing, we have also provided the City with information about our in-person payment solutions where individual departments or a centralized cashier can accept payments via credit card or debit card and allow the City to quickly convert paper checks using Check 21 as part of our Virtual Lockbox capabilities.

Our comprehensive payment solutions will enable Fresno constituents to pay fees and any other obligations either online or by phone 24-hours a day, seven days a week via credit card, debit card and electronic check (ACH). Heartland's proposed solutions are flexible and will enable the City to continue its strong web-focus and concentration on customer service. Our proposed solutions are configured to process payments for a user-specified amount (e.g., "blind payments") or by looking up the amount due from either a Heartland or City maintained database.

Heartland provides authorized City staff with account access anytime, anywhere you have Internet access via our robust online reporting and management tool. Our online management center provides password-protected access to encrypted data right at your fingertips with both "at a glance" and fully detailed statement and report options. The solution proposed by Heartland includes numerous "out-of-the-box" reports as well as the offer to customize reports as needed to meet the City's needs.

Our online report offerings include daily, weekly and monthly activity reporting, transaction summaries, and chargeback and retrieval activity reports. We will work with each department to ensure that we provide the business reporting in the format required by the City to effectively manage your processing needs.

As introduced earlier, Heartland can provide the City with capabilities to accept counter-based payments (i.e., POS). Using either a card swipe device or check reader with our virtual payment terminal, cashiers within the City may collect payments via credit card and electronic check payments quickly, easily and securely.

The solution proposed by Heartland supports the City's needs from:

- ✓ Robust and redundant systems featuring 24/7/365 operation
- ✓ Secure processing of all major payment methods (credit/debit cards and ACH)

*Heartland's mission statement is clear:  
Provide fair, honest and fully disclosed payments solutions and advocate for our Merchants.*

- ✓ Toll-free (800#) telephone line for all payments, including speech-enabled technology
- ✓ Secure Sockets Layer (SSL) encrypted transactions
- ✓ PCI-DSS Level 1 compliant solution (the highest possible level)
- ✓ True 24/7/365 customer service with knowledgeable Heartland employees
- ✓ Local support staff available for assistance when needed
- ✓ Online reporting with complete reconciliation management
- ✓ Processor-direct pricing and reliability

Heartland's success is the result of the combination of a superior long-term customer relationship sales model and our internally-developed, highly reliable and secure transaction processing platform. Heartland delivers tailored solutions to major markets to meet the needs of our clients and their customers. Our industry best Service Centers provide customers with 24-hour support and technical service 365-days per year. While our company's corporate headquarters is located in Princeton, New Jersey, Heartland satellite offices are located in the following cities:

- Jeffersonville, Indiana (Main Service Center)
- North Olmsted, Ohio
- Chattanooga, Tennessee (Service Center)
- Colorado Springs, Colorado
- Plano, Texas

Heartland has a complete commitment to customer service and prides itself on this fact. As an example of our commitment, we opened a state-of-the-art, 270,000-square foot service center in Jeffersonville in 2008. This service center serves as the hub for all client services within Heartland. Here you will find our merchant relations, settlement, product support, infrastructure, hardware support and hardware fulfillment teams in one area. This enables our teams to efficiently and effectively work together to ensure that your needs are addressed quickly, and that our solutions are always available at the highest level of quality.

In addition to our centralized service centers, Heartland also employs an army of local service representatives, including many within the State of Indiana. These team members provide on-site installation and assistance to our clients when needed. As Heartland employees, our account managers provide onsite technical assistance for any hardware or software issue that requires "hands-on." This team in the field supports our 24/7/365 customer service centers.



*Heartland Service Center in Jeffersonville, Indiana*

## Help Desk Support

The City will be provided with a single toll-free number for all call activity. All Help Desk calls for the City of Fresno will be answered by our highly trained, specialized Customer Advocates.

Our goal within the Service Center is one call resolution whenever possible. On average, 85% of our calls are resolved during the first call to our service center. The Service Center maintains several tiers of support to assist our primary Customer Advocate. When a situation cannot be resolved by the agent on the first call, a streamlined process is followed to make certain the caller's situation is promptly resolved.

The Customer Advocate will work with the appropriate technical resources and the leadership team to resolve the issue, and will involve your relationship team to ensure consistency of information.

The hosted online payment solution proposed by Heartland meets the highest levels of security and has been certified to the PCI-DSS Level 1 security standard at the Service Provider Level. Heartland's internal network is segmented such that all information assets reside behind an internal firewall and are monitored by a network intrusion detection appliance. Externally, border firewalls protect the network perimeter, and network intrusion detection appliances monitor all inbound traffic.

At Heartland we know the importance of providing secure solutions to our clients, and we work diligently to protect all information that is collected, transmitted and stored in our systems. Heartland's Security and Systems team numbers almost 250 full-time employees, a show of our dedication to data security for all of our customers.

Our Security and Systems team is led by John South, Heartland's Chief Security Officer, who was recently elected to the Board of Directors of the Financial Services Information Sharing and Analysis Center, the only industry forum for collaboration on critical security threats facing the financial services sector. South was also named Information Security Executive of the Year in the ISE® Central Awards and one of Computerworld's Premier 100 IT Leaders for 2012.

### ***Validated Vendor Search – PCI Website***

Heartland is compliant with all city, state and federal laws regarding the security of data during electronic payment transaction processing.

As evidence of our commitment to data security, Heartland created E3™, an end-to-end encryption solution designed to provide the safest transactions in the industry. With E3, encryption begins the moment of card swipe or key entry and continues throughout the Heartland network. This means that neither the City's employees nor its systems are in direct contact with sensitive cardholder information, which reduces your compliance requirements under PCI.

Heartland's E3 solution provides protection throughout all four zones of the card processing ecosystem:

1. From data entry/card read at a business location to the payments processor's authorized network;
2. From entry to that network and throughout the entire processor/sub-contractor network where data is in motion;

3. While the data resides in a central processing unit (CPU) or a host security module (HSM). An HSM is a specialized server that locks down information;
4. In storage where data is at rest.

Any encryption solution that does not start at the card swipe or key entry and includes all of these four zones is not end-to-end; it is “point-to-point.” Point-to-point solutions protect data at certain points in the lifecycle of a transaction flow — and expose them at others.

As shown in the following table, Heartland’s proposed payment solutions enable Fresno constituents to make payments via all major credit cards debit cards and electronic checks/ACH.

In addition, through Heartland’s extensive point-of-sale capabilities, the City will have the option to collect in-person payments through all of the above methods as well as cash and traditional hand-written checks.

Heartland’s proposed payment solutions have the capability to accept non-validated payments (commonly referred to as “blind payments”). Personal income or sales tax payments commonly use this approach. In this scenario, Fresno constituents are asked to enter that amount into the system without any amount look-up functionality. Controls around the amount of acceptable payment and required information are set and controlled by the system administrator.

The proposed web application from Heartland is designed to offer multiple data integration options including matched payments, payments tied to live data and payment validation based on a file transfer. To meet the needs of all departments within the City of, Fresno and the Finance Department, the type of data integration used can be determined at the department level.

Our solution can be configured to operate in the same manner used by the Utilities, Billing & Collections today for utility payments. In this scenario, a rate payer uses the account number look-up capabilities on the City website by entering an account number. Once the account is located, the bill information is passed to current payment vendor and the rate payer is redirected to the vendor’s site to complete the payment. Using this approach, the City’s application determines the fees to be collected before transferring the user to a secure, PCI-compliant payment portal. Once there, the payment is captured, authorized and processed in real-time before returning control back to the City’s application.

The identifiers that customers are required to enter for blind payments are completely customizable to meet the City’s needs. In many cases we have found that the Account Number and owner’s last name are used to identify the bill , though any identifiers may be selected. The solution allows for multiple custom identifiers and discretionary fields of information.

***Customer Receipt shall have the following details:*** City name, Division name, Facility code/roll Date and time of service

- *Description of service*
- *Description of total fees*
- *Description of payment type*

- *Unique identification number (Collection #)*
  - *Confirmation number*
  - *Payment type (credit/debit card or e-check)*
- 

As shown in the following screen capture from our proposed cashiering solution, all of the data required by the City can be included on the customer's receipt. The exact elements presented on the receipt can be configured by the City.

All transactions processed through Heartland's Internet or POS solutions will automatically generate a receipt that can be printed. If a valid customer email address is available, then an electronic copy of the receipt can also be emailed.

For IVR transactions, customers will be asked to record the transaction ID as proof of the payment.

Authorized City personnel will have the ability to void transactions and/or issue complete or partial refunds to customers through the Heartland Cashiering Application. After completing a search by date, transaction ID, customer last name or other identifier, City personnel can quickly locate the desired transaction and click the "Void/Refund" button in the bottom right-hand corner.

As required by the City, when a void or refund is processed through Heartland's system, a new Transaction ID is issued and linked to the original payment's Transaction ID.

### ***Transaction Receipt from Heartland Cashier***

Only specific Supervisors/Managers or other designated City personnel with proper administrative rights will be able to click the "Void/Refund" button. These role-based functions can be configured by the City at the time of implementation, and only users with full access rights will be able add, edit and delete users.

Through Heartland's secure online reporting system, City personnel will have the ability to view daily, weekly and monthly reports, including a summary of any chargebacks.

Heartland provides all of the payment offerings desired by the City, including secure Internet, IVR and POS systems. We have provided an overview of each solution in the following paragraphs.

## **Internet**

We believe Heartland's fully hosted online payment portal fits the needs of the City of Fresno and its various departments. Our web-based solution can be configured to collect any bill type desired by the City. Because our Internet solution was designed to be flexible to meet varying needs of government agencies of all sizes, Heartland is able to offer multiple data integration options including matched payments, payments tied to live data and payment validation based on a file transfer. To meet the needs of all departments within the City of Fresno, the type of data integration used can be determined at the department level.

A typical payment portal set-up includes a direct link from the Department website that directs customers to the designated payment page where they will be asked to provide certain identifying information (such as the account number or invoice number, name, etc.) as well as the desired payment amount. Should a

more integrated solution be desired, Heartland will endeavor to integrate seamlessly with any existing balance look-up functionality available through the City website today.

## **IVR**

Heartland offers its clients a fully functioning IVR system that features different levels of integration, similar to our Internet payment offerings. All of our IVR systems are hosted entirely by Heartland and provide another convenient payment option to the City's constituents.

Heartland's IVR solution is state-of-the-art and uses the latest best practices and technologies. Heartland incorporated best practices and years of expert knowledge into our latest generation of telephone payments. While our solution can be setup as either Touch Tone (DTMF-entry) or speech-enabled, the user's experience is always pleasant as the application flows intuitively for both the first-time and expert user, whether the caller speaks English or Spanish.

A typical IVR configuration is patterned after the "blind" Internet transaction process where users call the City's designated user number and enter the necessary information to make a payment, including the amount they would like to pay. Should a City department desire a higher level of integration, then Heartland's IVR can provide the user with his or her current balance due based on a file provided by the City department.

In all instances, Heartland will provide the City with a dedicated toll-free telephone number for any payments. This number will not be shared with other clients or require the caller to indicate that they are calling the City of Fresno. Rather, the IVR application will provide a City-specific welcome message and other messaging as a part of the telephone application.

## **In-Office Payments**

As one of the country's premier providers of in-person payment solutions to government agencies of all sizes, Heartland can provide the City with our web-based cashiering module as well as standard USB card readers.

Heartland offers solutions that address all compliance and security demands, while solving issues of performance, ease-of-use and desired outcomes. Using our payment terminals or PIN-pads, City staff will be able to quickly and easily process payments by simply swiping a debit or credit card through the device. As you know, accepting payments in-person requires the City to maintain Payment Card Industry Data Security Standards, also known as PCI-DSS (or PCI). With Heartland's E3™ terminals and readers your overall compliance and liability under PCI is reduced as the City will not have exposure to cards swiped at the counter.

Heartland has two (2) options to meet the in-person payment needs of Fresno:

- 1. Cashiering Application** – With our Internet-based Cashiering Application, authorized City staff will have access to a secure web-based payment terminal for accepting payments, enabling Fresno to save greatly on hardware costs as only a secure wedge card reader will be used to capture credit and debit card information. Since the card reader is

secured using Heartland's industry first and proprietary E3™ (end-to-end encryption) technology, your computers will not have access to the card information and will be **fully compliant with PCI requirements**. Using this approach, a payment receipt is generated through the cashiering application and may be printed using either a receipt printer or existing laser/ink jet printer. A copy of the receipt may also be emailed.

**2. E3™ Card Terminal** – For a more traditional approach, Heartland also offers credit card terminals that feature built-in receipt printers plus the added security and protection of E3 technology (described in option #1). With this approach, a receipt is automatically generated and printed by the terminal upon approval since each unit is equipped with a receipt printer that accept industry-standard receipt paper. This feature, combined with the E3 Terminal's sleek design, will help conserve valuable counter space.



Also, by providing each City Department with a separate Merchant ID, we will have the capability to send funds directly to separate bank accounts.

Heartland will provide the City with access to a secure online reporting database where transaction reports can be configured and viewed.

Heartland's internal network is segmented such that all information assets reside behind an internal firewall and are monitored by a network intrusion detection appliance. Externally, border firewalls protect the network perimeter, and network intrusion detection appliances monitor all inbound traffic.

The application architecture is secured behind multiple firewall and intrusion detection layers. The first layer is composed of redundant firewalls that provide Internet protection. The second layer of firewall protection is provided by redundant firewalls that segment the internal Heartland network from the production servers that contain customer information. Two different firewall brands are used because using a single manufacturer could lead to exposure to zero-day firewall exploits.

End of Day reports, configurable by cashiering station, are available through Heartland's online reporting system. Access to Heartland's online reports is based on assigned user credentials, and the City will have the ability to configure each cashier's level of access as desired.

City employees who are given the proper credentials will have access to the End of Day report through the online reporting portal. As shown in the following screen capture, the report can be filtered by Cashier so that one or more (or all) City Cashiers are represented. For the convenience of the City, this report can be run for up to five days before the current date.

Also, by using the "Report Scheduling" options available, users can configure any standard report to be automatically run and delivered via email.

As mentioned previously, the City will have access to all of its payment data through our secure online reporting database where transaction reports can be configured, viewed and exported. Our reporting

engine is designed to be flexible so that City personnel can quickly and easily view any transaction information needed.

Once an authorized employee logs into the system, he or she selects the desired report and then uses the built-in date selector to create the report's start date and end date. This functionality enables City personnel to view transactions for the desired amount of time.

Heartland's online reporting database offers the flexibility for the user to select the desired timeframe for any report. Thus, all transaction data can be viewed by day, week, month or even yearly. All reports include at least transaction date, payment type, transaction type, record count and a report total that is based on the dates selected (i.e., a report created for September. 1-30 would include each day's total transaction amount as well as a report total that would reflect the entire month's processing total).

All reports run through Heartland's online reporting portal will include a report total for the time period specified.

Heartland's online reporting solution includes access to all of the desired standard reports described below:

When authorized City personnel login to our reporting database, the welcome screen shows all of the available standard reports.

*Heartland can provide standard reports, including:*

---

- a) *Transaction/Payment Type Report – This report is capable of recapping all transactions by either the transaction type, and or the payment type.*
  - b) *Summary of Payments Report – This report lists the total number of payments and amount received for each payment and service type.*
  - c) *Payment Void Report – This report lists all payment transactions voided on a given day, including receipt number, cashier, explanation, and supervisor identification.*
  - d) *Reports should be exportable to an archival file type such as .pdf or .csv.*
- 

To run one of the available reports, City personnel simply click on the desired Report Name from the list, which then opens the Report Parameters page where more information can be defined, such as the report date range, transaction time, cashier(s), etc.

Once all report parameters have been selected, the user simply clicks the "Submit" button in the bottom left-hand part of the screen.

An added benefit of Heartland's reporting system is the capability for users to schedule reports to automatically run on a daily, weekly or monthly basis. Using the "Report Scheduling" tab found in our online reporting portal, users select the report they would like to configure by clicking on its name.

On the "Schedule Report Parameters" page, users configure the report schedule by selecting from the drop-down menus. As part of the scheduling process, users can enter one or more email addresses to which the

report will be sent (delivery to an FTP site is also available). The file format can also be selected (PDF, Excel, CSV, HTML).

As requested by the City, Heartland offers a T3 (Train-The-Trainer) training format to train your staff on the payment, reporting and research applications. Since our solutions are designed to be intuitive and easy to use and learn, once our quick and easy training is complete your staff will be rehearsed and ready to do their jobs with ease and efficiency. Heartland will provide training either onsite or via online meeting to ensure that City personnel are able to properly operate all equipment and understand how our proposed solutions operate. Training involves hands on participation throughout the learning process.

There is no cost associated with our proposed training.

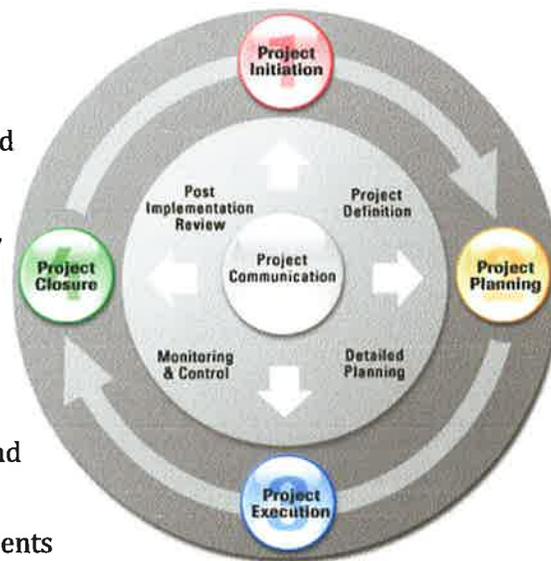
Heartland does not foresee any issues with meeting the City's deadline for expediting the credit card processing piece of the installation (120 days after contract signing) and production (120 days after installation).

Heartland will assign a project team that will be responsible for the overall success of the project and for ensuring that the City's needs are met on a daily basis.

The dedicated Fresno team will be led by a project manager who has experience with the needs of large government agencies. In addition, various other team members, such as developers, customer service personnel, network and infrastructure support will work with the City throughout the project as appropriate. As an escalation path, the project will be internally operated under the oversight of an executive level member of Heartland.

A typical implementation involves the following:

- Establish communications plans between the Heartland project team and the City
- Final scoping and review of project requirements, scope, goals and deliverables
- Definition of the integration method(s) to be employed
- Selection of various presentation level requirements, such as messaging, look-and-feel, account validation and authentication options
- Selection of interfaces and potentially the custom elements



The remainder of the implementation plan will be developed during the planning stages and will proceed on a mutually agreed upon schedule.

Heartland uses a comprehensive data collection tool during the implementation process that documents all client choices for each interface, payment method, web service and file format selected. Our

implementation team will guide the City through all options and make recommendations based on the client's business objectives, compliance requirements and systems.

Most customization options are represented as variables in the Heartland solution, meaning no coding is required. Therefore, in Heartland's experience with standard implementations, more time is spent on evaluation and selection of options than in the actual implementation process.

Should the City require custom programming or new functionality as part of the implementation process, Heartland will work with Fresno staff to create a Statement of Work (SOW), which captures the business requirements for any new development. Once the SOW is finalized and all parties sign off, we will estimate the level of effort involved and provide time and cost estimates if appropriate and as applicable.

As required by the City, Heartland will provide its fully hosted Internet payment site, a toll-free IVR system and in-office payment options.

In addition to the solutions already described Heartland , believes the following Heartland product would be a useful addition to the City's payments program and can be further investigated by the City at a later date. It is not included in this Scope of Services.

### **Mobuyle™**

Mobuyle is a mobile payment solution developed by Heartland that enables billers to turn smartphones, tablets and other mobile devices into portable POS card processors. This cutting-edge technology can be extremely useful during Disaster Recovery, times when hardwire connectivity is down or when off-site transactions are desired.

Mobuyle has a native application with an encrypting reader for Android and Apple, serving any merchant securely and conveniently. All transaction data is encrypted and passed to Heartland, so card data is never stored on the mobile device. Heartland processes payments directly, eliminating the need for middlemen, outside gateways or third party providers.

Mobuyle's functionality also allows billers to store and forward feature allows users to stay in operation by accepting payments when in areas without connectivity or cell phone service. Added functionality includes the ability to print receipts using an optional, portable Bluetooth printer.

As mentioned previously, City staff will have the ability to configure scheduled reports, including the option to provide email addresses for intended recipients. Scheduled reports can also be sent to an FTP site, if available.

### **HARDWARE**

The proposed solutions from Heartland do not require the use of any hardware. We offer optional card PIN pads to assist with collecting in-office payments, but these devices are not required for our solutions to function properly. We provided hardware and lease pricing.

There are no software or yearly maintenance costs associated with Heartland's proposed payment systems.

## **DATABASE**

Because the proposed solutions from Heartland are fully hosted on our secure network, the City is not required to have a database on its premises.

## **IMPLEMENTATION TIME REQUIRED**

Heartland will work with the City to meet the requested deadlines with respect to the credit card processing:

- Installation within 120 days of signed contract date.
- Ready for “go-live” within 120 days of installation date.

All other desired processing will be scheduled as part of the planning phase.

## **SUPPORT**

### **Support Hours (Pacific Time, Standard and Daylight Savings): Location(s)**

- *Standard work hours (7:00 a.m. to 6:00 p.m., Monday through Friday, except for City holidays).*
- *Off-Hours – Only if project is scheduled (database upgrade, application upgrade, etc.).*

As mentioned previously, the City of Fresno will have 24/7/365 support through Heartland’s Service Centers located in Jeffersonville, Indiana and Chattanooga, Tennessee.

The new, state-of-the-art service center in Jeffersonville opened in 2008 (at right) and serves as the hub for all client services within Heartland. Here you will find our merchant relations, settlement, product support, infrastructure, hardware support, and hardware fulfillment teams in one area. This enables our teams to efficiently and effectively work together to ensure that your needs are addressed quickly, and that our solutions are always available at the highest level of quality.



In addition to our centralized service centers, Heartland also employs an army of local service representatives, including many within the Fresno area. These team members provide on-site installation and assistance to our clients when needed. As Heartland employees, our account managers provide onsite technical assistance for any hardware or software issue that requires “hands-on.” This team in the field supports our 24/7/365 customer service centers.

The City will be provided with a single toll-free number for all call activity. All Help Desk calls for Fresno will be answered by our highly trained, specialized Customer Advocates, who are trained extensively to provide first-call resolution. Currently about 85% of calls to the Service Centers are handled within the first call. a situation cannot be resolved by the agent on the first call, a streamlined process is followed to make

certain the caller's situation is promptly resolved. All Heartland customer service is handled by Heartland employees who are located in the United States.

In the event of a failing terminal or other hardware, the Service Center is able to dispatch service technicians and equipment to your location. For hosted solutions, Service center personnel have access to the operational team that manages and maintains our 24/7 hosted operations center. No matter the issue, the Heartland Service Center has the staffing and capabilities to support every need.

**Response to Problems:**

- *Critical (causes users to stop working) - A telephone response within 4 hours from when problem is reported.*
  - *Non-Critical - require response within one business day from when problem is reported.*
- 

Heartland acknowledges the City's issue response times and will comply. Through our Heartland Services Centers (described previously) that operate 24/7, we will provide prompt notification of any critical issues related to the City's processing solutions.

Heartland will provide the City with system updates, upgrades and patches at no cost as long as our solutions are in use. System upgrades and new features are pushed to clients as they become available, but typically at least once per quarter. Major system upgrades are usually released once per year.

# Exhibit B

## Fee Schedule

### I. Charges to City Constituents/Users

#### Standard Convenience Fee Pricing Model.

1. For **Payments** Heartland will charge a convenience fee based on the payment type:
  - a) For **credit & debit cards** a convenience fee of 2.25% per transaction in addition to the amount paid for completed transactions made *in-person, online or via IVR*. (*Example: A customer paying a bill of \$1,000.00 would incur a total cost of \$1,000.00 X 2.25% = \$1,022.50.*)
  - b) For **E-checks** a convenience fee of \$1.50 in addition to the amount paid for completed transactions made *via IVR or online*. (*Example: A customer paying a bill of \$1,000.00 would incur a total cost of \$1,000.00 + \$1.50 = \$1,001.50.*)

Convenience Fee Summary Table: Tax Payments		
Payment Channel	Payment Method	Convenience Fee Assessed
Internet, IVR, In-Person	Credit / Debit Cards (Visa, MasterCard, Discover, American Express)	2.25% per transaction
Internet, IVR	E-Checks	\$1.50 per transaction
ACH	To be evaluated and negotiated at a later time via a contract amendment.	

### II. Hardware Costs (Optional)

- E3 Pin Pads (per Station): \$245.00 each

**Exhibit C  
DISCLOSURE OF CONFLICT OF INTEREST**

Agreement  
Heartland Payment Systems

		YES*	NO
1	Are you currently in litigation with the City of Fresno or any of its agents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2	Do you represent any firm, organization or person who is in litigation with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3	Do you currently represent or perform work for any clients who do business with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	Are you or any of your principals, managers or professionals, owners or investors in a business which does business with the City of Fresno, or in a business which is in litigation with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5	Are you or any of your principals, managers or professionals, related by blood or marriage to any City of Fresno employee who has any significant role in the subject matter of this service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6	Do you or any of your subcontractors have, or expect to have, any interest, direct or indirect, in any other contract in connection with this Project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
* If the answer to any question is yes, please explain in full below.			

Explanation: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Additional page(s) attached.

  
\_\_\_\_\_  
Signature

10/24/2014  
\_\_\_\_\_  
Date

Michael A. Lawler, President  
\_\_\_\_\_  
(name)

Strategic Markets Group  
Heartland Payment Systems, Inc  
\_\_\_\_\_  
(company)

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Auburn, Alabama 36832  
\_\_\_\_\_  
(address)

