

OHIO TURNPIKE COMMISSION

Resolution Awarding a Contract for Credit Card Processing Services

WHEREAS, implementation of the new Toll Collection System and Customer Service Center with *E-ZPass®* will require that the Commission have in place a contract for the processing of credit card transactions; and

WHEREAS, on October 15, 2008, the Commission issued its Request for Proposals ("RFP") for Credit Card Processing Service to fifty-two credit card processing firms also known in the credit industry as "credit card acquirers," and on November 14, 2008, four firms submitted proposals; and

WHEREAS, the Contract to be awarded shall have an initial term of two years, which may be extended for up to three additional, two-year periods; and

WHEREAS, expenditures by the Commission under the Contract for Credit Card Processing Services will exceed \$150,000, and, therefore, in accordance with Article V, Section 1.00 of the Commission's Code of Bylaws, Commission action is necessary for the award of such Contract; and

WHEREAS, an Evaluation Team comprised of the Director of Audit and Internal Control, the CFO/Comptroller, the Director of Information Systems and the Accounting Manager conducted the technical review of the proposals submitted; and

WHEREAS, the Director of Contracts Administration reviewed each proposal for compliance with the legal requirements of the RFP, and the Evaluation Team was also assisted in its review by the Commission's Toll Collection System Integrator, TransCore, and the Commission's Project Consultants from Jacobs Engineering; and

WHEREAS, based on the technical scores awarded by the Evaluation Team combined with the tabulated scores awarded for the pricing proposals, the top-ranked proposal was submitted by **Electronic Merchant Systems ("EMS") of Independence, Ohio**; and

WHEREAS, as contemplated in the RFP, the Evaluation Team chose to conduct a negotiation with the top-ranked firm, EMS, to determine whether its price proposal could be improved upon, and the result of these negotiations was a lowering of EMS' estimated price over the first two-year Contract term from **\$911,610** to **\$875,047**; and

WHEREAS, it is noteworthy that the above-referenced costs represent approximately 2.4 percent of the estimated \$36 million in toll revenues projected to be paid via credit cards during the first two-year period, and also that approximately 90 percent of the aforementioned costs represent pass-through fees charged by the credit card companies, issuing banks and third-party processors; and

WHEREAS, based upon the favorable results of the evaluation and price negotiation processes, the Evaluation Team has unanimously recommended that the Commission award the Contract to Electronic Merchant Systems for Credit Card Processing Services for the term(s) specified.

WHEREAS, the Commission's Director of Contracts Administration has reviewed the Evaluation Team's recommendation, as reflected in her written recommendation, which is before the Commission, and she has communicated her agreement to the Commission; and

WHEREAS, the Commission has been further advised by its Director of Contracts Administration that all legal requirements have been performed and that the aforesaid proposals were solicited on the basis of the same terms, conditions and specifications with respect to all respondents; that EMS has provided a bid guaranty of good and sufficient surety and

demonstrated its ability to provide the requisite performance bond and insurances; and that the Commission may legally enter into an Agreement with EMS; and

WHEREAS, the Executive Director has reviewed the reports of the Evaluation Team and the Director of Contracts Administration and, predicated on their analysis, has made his recommendation to the Commission that the Contract for Credit Card Processing Services be awarded to Electronic Merchant Systems; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the proposal submitted by **Electronic Merchant Systems of Independence, Ohio** is, and is by the Commission determined to be, the best of all proposals received in response to the Commission's RFP for Credit Card Processing Services and is accepted; and

FURTHER RESOLVED that the Executive Director and Director of Contracts Administration hereby are authorized to: 1) execute a Contract with Electronic Merchant Systems to furnish Credit Card Processing Services to the Commission in the form heretofore prescribed by the Commission pursuant to the aforesaid RFP, 2) direct the return to the proposers of their proposal guaranty at such time as EMS has entered into the Contract and furnished the performance bond required thereby, 3) renew said Contract for up to three, two-year year periods after completion of satisfactory performance reviews by the CFO/Comptroller and the Director of Audit and Internal Controls, and 4) take any and all action necessary to properly carry out the terms of said RFP and said Contract.

(Resolution No. 1-2009 adopted January 12, 2009)