



**DEPARTMENT OF PROCUREMENT SERVICES
NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION**

Complete this cover form and the **Non-Competitive Procurement Application Worksheet** in detail. Refer to the page entitled "Instructions for Non-Competitive Procurement Application" for completing this application in accordance with its policy regarding NCRB. Complete "other" subject area if additional information is needed. Subject areas must be fully completed and responses merely referencing attachments will not be accepted and will be immediately rejected.

Department	Originator Name	Telephone	Date	Signature of Application Author
Finance	Joel Flores	742-9596	7-13-2021	
Contract Liaison	Email Contract Liaison	Telephone		
Steve Sakai	steven.sakai@cityofchicago.org	744-2894		

List Name of NCRB Attendees/Department

Richard Ponce
Steve Sakai

Request NCRB review be conducted for the product(s) and/or service(s) described herein.

Company: CSG Forte Payments, Inc. (formerly Forte Payment Systems, Inc.; and ACH Direct, Inc.)

Contact Person:	Phone:	Email:
Michelle Stillinger	402-431-7206	Michelle.Stillinger@csgi.com

Project Description: Payment Gateway services

This is a request for:

New Contract

Amendment / Modification

Contract Type

Type of Modification

Blanket Agreement Term: ____ (# of mo)

Time Extension Vendor Limit Increase Scope Change

Standard Agreement

Contract Number: 17560

Specification Number: 51810

Modification Number: 10

Department Request Approval		Recommended Approval	
<input checked="" type="checkbox"/> <u>Reshona Soni</u>	<u>7/19/2021</u>		<u>9/27/21</u>
DEPARTMENT HEAD OR DESIGNEE	DATE	BOARD CHAIRPERSON	DATE
<u>Reshona Soni</u>		<u>Steve M. Loboda</u>	
PRINT NAME		PRINT NAME	

(FOR NCRB USE ONLY)

Recommend Approval/Date: _____

Return to Department/Date: _____

Rejected/Date: _____

Approved Rejected

Acting CHIEF PROCUREMENT OFFICER 9/27/21
DATE

PROCUREMENT HISTORY - continued from the NCRB Justification cover page-

In April 2013, ACH Direct Inc., underwent a name change (only) maintaining its original PO# 17560, changing its name to Forte Payment Systems, Inc. ("Forte").

In June 2013, the City exercised the unilateral contract extension option provision, which allowed for up to three extension years, thereby extending the contract for all three years, ending 6/24/2016.

In January 2015, DPS advertised an RFP (Specification number 121714; "Payment Processing Services for Payments to the City for Various Items"). DOF had considered addressing the required check processing services as part of this payment-related RFP, however, it was determined, at the time, that the scope of services for that RFP were not positioned well, in terms of compatibility.

In July 2016, the NCRB approved a one year extension period, with an option for an additional one year extension, to provide time to replace this ACH Direct contract and implement services.

In September 2016, the NCRB approved the addition of a provision which would provide yet another "one-year extension option" which was written into the ensuing Amendment.

In July 2017, the NCRB approved exercising the additional one-year extension option provided for in the September 2016 NCRB approval, as well as a VLI in the amount of \$276,112 to cover that extension period ending June 24, 2018.

See # 3 below regarding the replacement RFP timeline.

In May 2018, the NCRB approved an additional one-year extension option, as well as a VLI in the amount of \$153,223.85 to cover that extension period ending June 24, 2019.

In October 2018, *Forte Payment Systems, Inc.* announced its acquisition by *CSG Systems International, Inc.*

In January 2019, DPS processed a name change (only) for *Forte Payment Systems, Inc.*, maintaining its original PO# 17560, under its new name: *CSG Forte Payments, Inc.* (hereinafter "Forte").

In April 2019, the NCRB approved an additional one-year extension option, as well as a VLI in the amount of \$136,289.37 to cover that extension period ending June 24, 2020.

In July 2020, the NCRB approved an additional one-year extension option, as well as a VLI in the amount of \$285,767.47 to cover that extension period ending June 24, 2021.

1. Describe the requirement and how it evolved from initial planning to its present status.

In 2004, DOF (fka "Revenue") sought a technical solution that would minimize the City's risk of accepting "bad checks". In 2006, an NCRB contract was awarded to Forte, to provide the City with their check processing software services ("Payments Gateway") which electronically verifies, in real-time, whether or not a bank account, from which a check payment has been presented to the City for payment, is "open," and is "valid," and is not associated with reported "returned payment activity" in accordance with specialized check-history-related databases.

Forte's online "Payments Gateway" Internet platform for 2020 resulted in \$1.03 billion in revenue at a cost to the City in the amount of **\$31,100**.

Additionally, the Forte's check conversion services have allowed for the conversion and collection of returned paper checks not originally processed through their Payments Gateway. Of those converted returned check payments, 73% were collected, eliminating the need for the City to perform normal returned payment processing and collection on those collected items.

2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.

This is a continuation/extension request for the current NCRB contract with Forte (as explained above).

3. Explain attempts made to competitively bid the requirement. (Attach copy of sources contacted.)

In October 2016, a new replacement services RFP for "Check Processing Services" was developed and submitted to DPS under Specification # 245583.

In March 2018, DPS advertise an RFP (Specification number 245583 for "Check Processing Services") as the Forte "replacement" contract.

In June 2018, four proposals were received in response to the RFP issued in March 2018. Forte was one of the RFP respondents.

In February 2019, the Evaluation Committee submitted its recommendation to the Comptroller to begin negotiations with Forte.

In June 2019, the Chief Procurement Officer concurred with the recommendation.

In August 2019, the first draft of the Agreement was circulated for City internal-departmental reviews.

In September 2020, the Agreement was sent to Forte for their initial review and execution.

In December 2020, Forte returned the draft Agreement with edits, exceptions, and comments.

As of May 2021, negotiations are still underway with Forte's new administration.

4. Describe in detail all research done to find other sources, list other cities, companies in the industry, professional organizations contacted. List periodicals and other publications used as references.

Other payments gateway services, electronic check (ACH) payment processing, check and ACH bank verification, and returned check conversion and collection services, are available in the marketplace today, so, other vendors can perform the same functions required by the City (see # 3 above describing the open solicitation of RFP Specification # 245583). However, Forte implemented its proprietary interfaces and software to provide the listed services today. Accordingly, Forte is the only entity uniquely capable of providing these services, uninterrupted by the need to implement new interfaces for replacement services, while the new/replacement contract, pursuant to the above-referenced RFP process, is written, executed, and fully implemented.

5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?

This is a one-time request for up to a 12-month extension, or an extension until the new contract is awarded; whichever occurs first.

We do not anticipate requiring any additional extensions or pursuing any "future procurement objectives" with respect to check processing services, since those requirements have been met pursuant to the RFP process described in # 3 above.

6. Explain whether or not future competitive bidding is possible. If not, explain in detail

Competitive bidding in the future is possible; similar to the RFP process described in # 3 above.

A new replacement Check Processing Services contract is currently in negotiation with Forte. The current payments gateway services contract must continue to be sustained and supported in order to provide valued revenue processing services until the new contract has been executed and the new services fully implemented.

ESTIMATED COST - continued from the NCRB Justification cover page-

1. What is the estimated cost for this requirement or for each contract, if multiple awards contemplated?

As indicated in the NCRB Justification cover page, the estimated cost for the 12-month extension period is \$181,308.64 (VLI for 12-month extension ending 6-24-2022).

What is the funding source?

021-100-27-2020-0140-0140.

2. What is the estimated cost by fiscal year?

The estimated annual cost is \$214,265.17.

3. Explain the basis for estimating the cost and what assumptions were made and/or data used (i.e., budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc.).

Cost is determined on a per-transaction basis. A "transaction" involves a payment made by a customer to the City via paper check or eCheck. Each transaction processed by Forte is a cost incurred by the City. Cost estimates were derived by calculating the monthly average cost from actual Forte invoice payments, then multiplying the monthly average cost by 12 months with an addition 10% to account for potential increases in transaction volume which are anticipated during the extension period.

4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered.

The initial implementation, and the more recent check conversion implementation of Payment Gateway services, was a new venture and required a substantial amount of Forte investment, time, and human resources in order to develop the transaction interface to City systems and implement go-live. None of this development work was done at the expense of the City. However, installation coordination (with DAIS), interface and testing of links into the City's existing cashiering system, and the coordination of processes involving the City's ACH check processing, etc., required a substantial investment of time and effort for both Forte and the City.

Describe cost savings or other measurable benefits to the City which may be achieved.

Since July 2016, Forte continues to sustain a reduced the ACH Gateway fee to \$0.03 and the verification fee to \$0.22 per transaction; just over a 40% and 8% reduction, respectively.

5. Explain what negotiations of price has occurred or will occur.

Forte has agreed to sustain their reduced ACH Gateway fee of \$0.03 and the verification fee of \$0.22 per transaction throughout the extension period ending June 24, 2022.

Detail why the estimated cost is deemed reasonable.

Considering that the contract with *Forte* is due to expire on June 24, 2021, and insofar as the City does not have any other service provider under contract that could immediately fill the void, Forte could have leveraged this condition to its advantage by requesting a price increase or service reduction. However, Forte agrees to sustain the price reduction without any conditional change during the contract extension period.

SCHEDULE REQUIREMENTS - continued from the NCRB Justification cover page-

1. Explain how the schedule was developed and at what point the specific dates were known.

No schedule or milestones, in terms of an implementation or deployment schedule, are applicable for this extension request. There have been no discussions nor any type of "schedule" that is required or is otherwise contemplated between Forte and the City – other than the recent discussions concerning the business need for the continuation of uninterrupted services via this contract extension amendment process.

2. Is lack of drawings and/or specifications a constraining factor to competitive bidding?

No. Competitive bidding (via the RFP process) is currently in process, having been already met pursuant to the RFP process described in # 3 under "Procurement History" above.

If so, why is the proposed Contractor the only person or firm able to perform under these circumstances?

Drawings and/or specifications are not an issue.

Why are the drawings and specifications lacking?

Drawings and/or specifications are not an issue.

What is the lead-time required to get drawings and specifications suitable for competition?

Drawings and/or specifications are not an issue.

If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.

Only Forte can sustain its existing Payments Gateway services required during the extension period. The Payments Gateway operations currently only exist with Forte through their customized software that has been developed, integrated, and approved for IT compatibility with the City systems, as required for payment transactions to be executed securely and without interruption.

3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.

No "schedule-by," "delivery-by," or "completion-by dates" are currently applicable. The only anticipated schedule-related matters concerning this request is the current contract expiration date (scheduled to expire on June 24, 2021).

4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.

Delays in competitive bidding (which may be applicable concerning the current RFP process, now in the initial round of the negotiation process with Forte's new administration since their original proposal submittal) could, potentially, result in lost opportunities to process additional payments through a new payments gateway at reduced costs. The new services contract (as a result of current negotiations) could, potentially, provide the City with opportunities to reorganize, reduce overhead, or better manage payment services and other related costs.

EXCLUSIVE OR UNIQUE CAPABILITY - continued from the NCRB Justification cover page-

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, and/or other factors make this person or firm exclusively or uniquely qualified for the project.

Forte is the sole provider able to sustain its existing Payments Gateway services required during the extension period.

There is no intent and there are no plans for hiring any new person or firm contemplated in this request – only the extension of the current Forte contract to sustain uninterrupted services.

Attach a copy of the cost proposal, scope of services, and Temporary Consulting Services Form.

The Temporary Consulting Services form is not applicable for this request.

Please see attached excerpts of original scope and current compensation schedule labeled and signed as follows: "No Change in Original Contract Scope".

2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
Not applicable.

3. What prior experiences of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?

Forte is the unique entity able to manage their customized software that has been developed, integrated, and approved to be compatible with the City systems required for payment transactions to be executed without interruption.

4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?

Only Forte operates the network that has been integrated and approved as compatible with the City systems required for payment transactions to be executed without interruption.

5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?

Forte is the only source who can perform the work within the required time schedule and within reasonable cost to the City. Forte has the capabilities and capacity to sustain services without interruption and with no price increases.

6. **If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, possess.**

Procuring equipment is not applicable for the extension period. All required equipment purchases were already made earlier in the engagement during the initial implementation period of the contract.

Is compatibility with existing equipment critical from an operational standpoint?

Yes.

If so, provide detailed explanation?

Sustained compatibility with the City's existing payment network is critical and essential. The interface of web, kiosk, and payment site stations through the City's cashiering system to Forte's proprietary payments gateway is a critical requirement.

7. **Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data (attach documentation verifying such)?**

Not applicable.

8. **If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources.**

Maintenance is provided by Forte under the terms of the contract at no additional cost, as part of the current contract. All costs are included in the per-transaction cost.

If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center?

Not applicable.

If so, attach letter from manufacturer.

Not applicable.

MBE/WBE COMPLIANCE PLAN

- * **All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a completed C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site. The City Department must submit a Compliance Plan, including details about direct and indirect compliance.**

In July 2016, a request for a 12-month extension ending 6/24/2017, was submitted. At that time, Forte requested a 16.9% MBE and 4.5% WBE full waiver request, which DOF concurred with. As part of that July 2016 extension request, Procurement had denied Forte's 16.9% MBE waiver (since Forte had exceeded their MBE goal, DPS felt there was no need to approve a waiver, at the time because of Forte's large dollar purchases of hardware from an MBE and WBE, as "indirect" compliance). Additionally, DPS reduced Forte's WBE requirement from 4.5% to 2.0% (which also resulted in Forte exceeding their WBE goal, at the time).

In July 2017, DOF's request for a 12-month extension ending 6/24/2018 plus VLI addressed the MBE/WBE requirements by concurring with Forte's 16.9% MBE waiver request and 2.0% WBE waiver request, and Procurement approved both waiver requests as well.

In March 2018, DOF's request for a 12-month extension ending 6/24/2019 plus VLI addressed the MBE/WBE requirements by concurring with Forte's 16.9% MBE waiver request and 2.0% WBE waiver request, and Procurement approved both waiver requests as well.

In February 2019, DOF's request for a 12-month extension ending 6/24/2020 plus VLI addressed the MBE/WBE requirements by concurring with Forte's 16.9% MBE waiver request and 2.0% WBE waiver request, and Procurement approved both waiver requests as well.

In March 2020, DOF's request for a 12-month extension ending 6/24/2021 plus VLI addressed the MBE/WBE requirements by concurring with Forte's 16.9% MBE waiver request and 2.0% WBE waiver request, and Procurement approved both waiver requests as well.

For this current 12-month extension request ending 6/24/2022 plus VLI request, Forte has again requested a 16.9% MBE and 2.0% WBE waiver request.

A C2 report indicates Forte is approximately 11.9% above MBE/WBE goals.

Separately, DOF has submitted its waiver concurrence package to DPS Compliance for this current 12-month extension ending 6/24/2022.

OTHER -continued from the NCRB Justification cover page-

- 1. Explain other related considerations and attach all applicable supporting documents, i.e., an approved "ITGB Form" or "Request for Individual Hire Form".**

Included with this NCRB package is a copy of the current scope of services (no change from the originally awarded scope); a current letter from Forte describing how their unique ACH gateway software provides the check processing verification services required; which includes Forte's confirmation that the reduced pricing (which first began on June 25, 2016 at \$0.03 per transaction for the gateway fee and \$0.22 per transaction for the verification fee), shall continue during this extension period ending June 24, 2022, or until the new contract (pursuant to the RFP Specification number 245583 described on page 1, above) is awarded; whichever occurs first.

REVIEW AND APPROVAL

This application must be signed by both Originator of the request and signed by the Department Head. After review and final disposition from the Board, this form will be presented to the Chief Procurement Officer recommending approval.

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DEPARTMENT OF PROCUREMENT SERVICES NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION INSTRUCTIONS FOR NON-COMPETITIVE PROCUREMENT APPLICATION

INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT APPLICATION

If a City Department has determined that the purchase of supplies, equipment, work and/or services cannot be done on a competitive basis, a justification must be prepared on this "Justification for Non-Competitive Procurement Application" in which procurement is requested on a or non-competitive basis in accordance with 65 ILCS 5/8-10-4 of the Illinois Compiled Statutes. Using this instruction sheet, all applicable information must be addressed on the worksheet. The information provided must be complete and in sufficient detail to allow for a decision to be made by the Non-Competitive Procurement Review Board. For Amendments, Modifications, describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change.

Attach a DPS Checklist and any other required documentation; the Board will not consider justification with incomplete information documentation or omissions.

PROCUREMENT HISTORY

1. Describe the requirement and how it evolved from initial planning to its present status.
2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.
3. Explain attempts made to competitively bid the requirement (attach copy of sources contacted).
4. Describe in detail all research done to find other sources; list other cities, companies in the industry, professional organizations contacted. List periodicals and other publications used as references.
5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?
6. Explain whether or not future competitive bidding is possible. If not, explain in detail.

ESTIMATED COST

1. What is the estimated cost for this requirement or for each contract, if multiple awards are contemplated? What is the funding source?
2. What is the estimated cost by fiscal year?
3. Explain the basis for estimating the cost and what assumptions were made and/or data used (i.e., budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc.)
4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered. Describe cost savings or other measurable benefits to the City which may be achieved.
5. Explain what negotiation of price has occurred or will occur. Detail why the estimated cost is deemed reasonable.

SCHEDULE REQUIREMENTS

1. Explain how the schedule was developed and at what point the specific dates were known.
2. Is lack of drawings and/or specifications a constraining factor to competitive bidding? If so, why is the proposed Contractor the only person or firm able to perform under these circumstances? Why are the drawings and specifications lacking? What is the lead time required to get drawings and specifications suitable for competition? If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.
3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.
4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.

EXCLUSIVE OR UNIQUE CAPABILITY

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, and/or other factors make this person or firm exclusively or uniquely qualified for the project. Attach a copy of the cost proposal, scope of services, and **Temporary Consulting Services Form**.
2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
3. What prior experiences of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?
4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?
5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?
6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models possess. Is compatibility with existing equipment critical from an operational standpoint? If so, provide detailed explanation?
7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data (attach documentation verifying such)?
8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer on company letterhead.

MBE/WBE COMPLIANCE PLAN

- * All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a completed C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site. The City Department must submit a Compliance Plan, including details about direct and indirect compliance.

OTHER

1. Explain other related considerations and attach all applicable supporting documents, i.e., an **approved "ITGB Form"** or "Request For **Individual Hire Form**".

REVIEW AND APPROVAL


This application must be signed by both Originator of the request and signed by the Department Head. After review and final disposition from the Board, this application will be signed by the Board Chairman. After review and final disposition from the Board, this form will be presented to the Chief Procurement Officer recommending approval.

Project Checklist

Attach required forms for each procurement type and detailed scope of services and/or specifications and forward original documents to the Chief Procurement Officer; City Hall, Room 806.

Date: July 9, 2021
 Department Name: Finance
 Requisition No: 386234 Specification No: 51810
 PO No: 17560 Modification No:
 Contract Liaison: Teri Davis
 Telephone: 312-744-9080
 Email: Teri.Davis@cityofchicago.org
 Project / Program Manager: Joel Flores
 Telephone: 312-742-9596
 Email: Joel.Flores@cityofchicago.org

For blanket agreements, original or lead department must consult with other potential departments who may want to participate on the blanket agreement. If grant funded, attach copy of the approved grant application and other terms and conditions of the funding source. Note: 1) **Funding**: Attach information if multiple funding lines; 2) **Individual Contract Services**: Include approval form signed by Department Head and OBM; 3) **ITGB**: IT project valued at \$100,000.00 or more, attach approval transmittal sheet.

*Contract Liaison Signature


*By signing this form, I attest that all information provided is true and accurate.

Project Title: Check Processing Services
Project Description: Additional 12-Month Extension with VLI for CSG Forte Payments, Inc. ending 6/24/2022.

Funding:
 Corporate Bond Enterprise Grant Other:
 IDOT/Transit IDOT/Highway FHWA FTA FAA

Check One:
 New Contract Request
 *By signing below, I attest the estimates provided for this contract are true and accurate.

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	PROJECT	RPTG	ESTDOLLAR AMOUNT
021	0100	027	2020	0140	220140				181,308.64

*Project / Program Manager Signature

 *Commissioner / Authorized Designee Signature


Purchase Order Type:
 Blanket/Purchase Order (DUR)
 Master Consultant Agreement (Task Order)
 Standard/One-Time Purchase

Special Approvals Required:
 Emergency
 Non-Competitive Review Board (NCRB)
 Request for Individual Contract Services
 Information Technology Governance Board (ITGB)

Procurement Method:
 Bid RFP RFQ RFI
 Small Order

Purchase Order Information:
 Contract Term (No. of Months): 12
 Extension Options (Rate of Recurrence): 1-Year
 Estimated Spend/Value: \$ 181,308.64

Contract Type:
 Architect Engineering Commodity Construction JOC SBI
 Professional Services Revenue Generating Vehicle & Heavy Equipment
 Work Service Joint Procurement Reference Contract

Pre-Bid/Submittal Conference: Yes No
 Mandatory Site Visit

Modification/Amendment Type:
 Time Extension Scope Change/Price Increase /Additional Line Item(s)
 Vendor Limit Increase Requisition Encumbrance Adjustment
 Other (specify):

Modification or Amendment
Modification Information:
 PO Start Date: 6-24-2008
 PO End Date: 6-24-2022
 Amount (Increase/Reduction): \$181,308.64
MBE/WBE/DBE Analysis: (Attach MBE/WBE/DBE Goal Setting Memo)
 Full Compliance Contract Specific Goals
 No Stated Goals Waiver Request

Vendor Info:
 Name: Forte Payment Systems, Inc.
 Contact: Tricia Lehman
 Address: 500 W. Bethany Drive Suite 200 Allen, TX 75013
 E-mail: tricia.lehman@csgi.com
 Phone: 866-290-5400 ext 789

Risk Management / EDS
 Insurance Requirements (included) Yes No
 EDS Certification of Filing (included) Yes No



CITY OF CHICAGO



DEPARTMENT OF FINANCE

May 24, 2021

To: Monica Jimenez
Acting Chief Procurement Officer

Attention: Steve Loboda
Chairman, Non-Competitive Review Board (NCRB)

From: ***Reshma Soni***
electronically signed and sent via email
Comptroller

Subject: **NCRB Application Requesting Approval for Time-Extension of *CSG Forte Payments, Inc.* Contract (formerly known as: *Forte Payment Systems, Inc.*)**
Additional 12-month Extension Ending 6/24/2021
Vendor Limit Increase in the Amount of: \$181,308.64
Source Req. # 386234 Specification # 51810 PO # 17560
Contract Title: Check Processing Services
Original Contract Start Date: 6/25/2008 Original End Date: 6/24/2013
Original Extension Options Available: Up to 3 years ending 6/24/2016
Current End Date: 6/24/2021
At-Risk Revenue Value: \$1,220,000,000 per year (approx.)

This is a request (albeit too late for consideration of award before the June 24, 2021 expiration date, for reasons described below) for approval by the NCRB for an additional 12-month extension ending 6/24/2022 (or until the new contract – discussed below – is awarded, whichever date is earlier), for the above referenced contract with ***CSG Forte Payments, Inc.*** (“*Forte*”) (*fka Forte Payment Systems, Inc.*)¹. This extension request includes a \$181,308.64 Vendor Limit Increase (“VLI”) to cover the anticipated costs through the extension period. No change in scope² or pricing, terms or conditions (except as may be required by the Department of Procurement Services), are applicable to this NCRB extension request.

The development of the new Agreement, as a result of the RFP for Check Processing Services (Specification number 245583), has undergone several interruptions for various reasons since the RFP first advertised over three years ago (advertised in March 2018). Although four proposals were received in July 2018, the recommendation of award was not finalized until 8 months later (sent to DPS in February 2019). The first draft of the Agreement was not sent to Forte until 20 months later (sent in September 2020). Forte responded with a redlined version in December 2020. However, since then, despite good intent by those involved and efforts by subject matter experts and business owners to address the necessary edits in response to Forte’s redlines, the next iteration of the draft Agreement has yet to be fully realized.

¹ *ACH Direct, Inc.* (“ACH”) became the City’s first bank-checking-account validation processor in June 2008, pursuant to an NCRB process. In April /2013 ACH’s name was changed to *Forte Payment Systems, Inc.* In October 2018, *Forte Payment Systems, Inc.* announced its acquisition by *CSG Systems International, Inc.* In January 2019, DPS approved a *Forte Payment Systems, Inc.*, name-change to *CSG Payment Systems, Inc.* The original PO number 17560 has never changed since the original contract was awarded to *ACH Direct, Inc.*

² The scope of work for this contract has not changed since the contract was originally awarded in 2008. Also, unit pricing has decreased and has never increased since 2008. Generally, the scope requires Forte to minimize the City’s risk of accepting “bad checks” when check-payments are submitted by a customer as a payment to the City. *Forte* processes the check-payment transactions through its proprietary check-payments electronic gateway solution. By processing check payments on behalf of the City in this manner, *Forte* validates that the customer’s checking account meets certain criteria in accordance with and in compliance with applicable federal banking rules and regulations current at the time, thereby minimizing the City’s risk of accepting a “bad check” from an invalid bank account.

Because the new Agreement was anticipated to have been executed well before the current contract expired, no one expected the need for yet another extension. Unfortunately, due to attrition in personnel and competing workload priorities³, the award of the new contract pursuant to that RFP process requires one more extension request.

The extension and VLI requested herein is necessary in order to reduce the risk of the City's more than \$1 billion in check-payment processing operations, by continuing Forte's check processing services, uninterrupted, until negotiations are settled and the new Agreement is finally executed and awarded.

DOF's contracts liaison, Steve Sakai shall attend the NCRB meeting after the NCRB review process and public posting period have transpired and a meeting invitation has been scheduled. If necessary, the subject matter expert, Miriam Velazquez, Director of Accounting, may attend if Richard Ponce is not available.

Attached, in support of this NCRB request (per DPS Policy number 29), are the following in this order.:

- 1) NCRB application form (cover page signed and support pages attached)
- 2) DPS Project Checklist
- 3) Memorandum to the Chief Procurement Officer for NCRB Application Requesting Time- Extension
- 4) Scope of Work (copies initialed on 5/19/2020, indicating "No Change in Scope")
- 5) Vendor's written justification of vendor's exclusivity (and valid price quote) on vendor's letterhead
- 6) MBE/WBE Compliance (by reference, separately submitted to DPS Compliance division)
- 7) Insurance certificate meeting contract requirements (current)
- 8) Online EDS Certificate of Filing (current)
- 9) Written justification of vendor's valid price quote (please see # 5 above)
- 10) OBM Approval form
- 11) Vendor Limit Increase worksheet
- 12) PO Remaining Balance worksheet

Please contact Steve Sakai, at 4-2894, if you require further information.

Thank you for your support.

RS:sys

ec: Joel Flores – DOF
Richard Ponce – DOF
Miriam Velazquez – DOF
Sarah Miller – DOF
Mark Galvan – DOF
Steve Sakai – DOF
Teri Davis – DOF
Maribel Lopez – DAIS

³ Factors contributing to the prolonged delay of realizing a new/replacement executed Agreement are primarily due to the attrition of key personnel; exacerbated by competing workload priorities at key pivot points. Primary among these factors was the loss of Forte's long-time account manager for the City of Chicago in 2019. This was compounded by the installation of a new attorney at Forte who elected to take several unexpected exceptions to the City's PSA in 2020, well *after* the 2018 proposal due date. Loss of key decision-making City personnel concurrent with the loss of their institutional knowledge of Forte operations, occurred at various levels – from department-head and 1st deputy levels to payment processing management staff and their cashiers. Loss of two of the City's Risk managers including a primary staff assistant (to review and opine regarding exceptions Forte is taking to insurance coverages). Compounding the unforeseen and periodic attritional losses, competing workload challenges contributed to a shift in priorities, impacting key divisions (e.g., DoIT's restructure to DAIS (Forte's solution requires IT interface into City systems and IT edits to Forte's redlines); COVID-19 pandemic (forcing work-from policies; causing a need for emergency contracts, thereby re-prioritizing Procurement and Law, OBM and Finance focus to emergency contracts and FEMA related concerns); and more recently, loss of a City Deputy of payment processing and one of that Deputy's staff assistants who support Forte operations (both expected to leave in June 2021), and prior to that, loss of a key payment processing manager who supported Forte-related payments operations.

ARTICLE 3. DUTIES AND RESPONSIBILITIES OF CONTRACTOR

3.1 Scope of Services

Contractor will provide Services to the City as set forth in this Section 3.1 and Exhibit 1, Scope of Services. Contractor will provide proprietary API access to Contractor's PaymentsGateway for verification of bank account information and transmission of payment transaction data to the City's chosen ODFI.

This description of Services is intended to be general in nature and is neither a complete description of Contractor's Services nor a limitation on the Services that Contractor is to provide under this Agreement. Contractor must provide the Services in accordance with the standards of performance set forth in Section 3.3.

3.2 Deliverables

In carrying out its Services, Contractor must prepare and provide to the City or its Designated ODFI various Deliverables, including reports and settlement files provided to the City and NACHA files to the Designated ODFI.

The City may reject Deliverables that do not include relevant information or data, or do not include all documents or other materials specified in this Agreement or reasonably necessary for the purpose for which the City made this Agreement or for which the City intends to use the Deliverables. If the City determines that Contractor has failed to comply with the foregoing standards, it has 30 days from the discovery to notify Contractor of its failure. If Contractor does not correct the failure, if it is possible to do so, within 30 days after receipt of notice from the City specifying the failure, then the City, by written notice, may treat the failure as a default of this Agreement under Section 9.1.

Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose for the benefit of the City and when consented to in advance by the City. Such Deliverables will not be considered as satisfying the requirements of this Agreement and partial or incomplete Deliverables in no way relieve Contractor of its obligations under this Agreement.

3.3 Standard of Performance

Contractor must perform all Services required of it under this Agreement with that degree of skill, care and diligence normally shown by a contractor performing services of a scope and purpose and magnitude comparable with the nature of the Services to be provided under this Agreement. Contractor acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Contractor agrees to be held to the standard of care of a fiduciary. **Any review, approval, acceptance of**

No Change in Original Contract Scope.
RP

Services or Deliverables or payment for any of the Services by the City does not relieve Contractor of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Contractor under this Agreement, at law or in equity.

Contractor must be appropriately licensed to perform the Services, if required by law, and must ensure that all Services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed as may be required by law. Contractor must provide copies of any such licenses. Contractor remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Contractor or its Subcontractors or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Department and delivered in a timely manner consistent with the requirements of this Agreement.

If Contractor fails to comply with the foregoing standards, Contractor must, at the City's option, perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure, unless the reason is failure to have and maintain required licensure. See subsection 9.1 (b)(ii) regarding failure to comply with licensure requirements.

3.4 Personnel

(a) Adequate Staffing

Contractor must, upon receiving a fully executed copy of this Agreement, assign and maintain during the term of this Agreement and any extension of it an adequate staff of competent personnel that is fully equipped, licensed as appropriate, available as needed, qualified and assigned exclusively to perform the Services. Contractor must include among its staff the Key Personnel and positions as identified below. The level of staffing may be revised from time to time by notice in writing from Contractor to the City and with prior written consent of the City.

(b) Key Personnel

Contractor must not reassign or replace Key Personnel without the written consent of the City. "Key Personnel" means those job titles and the persons assigned to those positions in accordance with the provisions of this Section 3.4(b). The Department may at any time in writing notify Contractor that the City will no longer accept performance of Services under this Agreement by one or more Key Personnel listed. Upon that notice Contractor must immediately suspend the key person or persons from performing Services under this Agreement and must replace him or them in accordance with the terms of this Agreement. Key Personnel, if any, are identified in Exhibit 6.

No Change in Original Contract Scope
RP

**EXHIBIT 1
SCOPE OF SERVICES**

Contractor must provide PaymentsGateway services to the City. These services include processing/channeling any or all of the following Transactions: authorizations, verifications, authentications, settlement Transactions or funds capturing. Merchant may use the Services in conjunction with ACHD's other products and services or Merchant may elect to use the Services in conjunction with its own or a third party's products and services.. Contractor will furnish gateway and verification services through the PaymentsGateway, as described in detail below. The City can use the Services by logging into the System, going to the add Transaction function, swiping the check, and filling in the necessary information to receive a response code indicating whether it can accept a check, covert the check to ACH, or whether to deny the check, and provide the basis for any denial. The Services must capture for each check the dollar amount of the check, the date and time paid, the location paid at, the terminal/workstation paid at, and the verification number.

Account Verification

- Contractor will provide bank account verification through ATMVerify and NCN.

ATMVerify: ATMVerify is a program that will provide the City information about an individual's account through an online real time inquiry. Level 1 of ATMVerify provides the City with the information that the routing and transit, account number and account status and payment amount are validated by the account holding financial institution. Level 2 of ATMVerify provides that the routing and transit, account number and account status as of the open of business that day are validated, but the balance in the account is not validated.

NCN: NCN will be used in addition to ATMVerify in the event that ATMVerify does not provide the City with information about an individual's account. NCN validates the routing and transit, account number, and provides the City information about whether there is outstanding negative information or returned checks on the account.

Implementation

- Contractor will provide an Application Programming Interface (API), accessible from a Java and Microsoft .Net application running on a City of Chicago application server. In addition, all files sent to the City from Contractor must be encoded as UTF-8 and sent using secure protocols including HTTPS, FTPS, or SSH.

No Change in Original Contract Scope.
RF

Availability

The PaymentsGateway is accessible 24 hours per day, 7 days per week.

Reporting

- Contractor must transmit all payment data for all processed checks to the City.
- Contractor must make available monthly check verification and payment Transaction reports listing the check payments. City personnel can access this information through Contractor's online reporting 24 hours per day, 7 days a week. Reports can be produced daily, monthly, quarterly, etc.
- Contractor must make best efforts to provide all requested reports within 24 hours of electronic request. This 24 hour time frame cannot be guaranteed for ad hoc reporting.
- Contractor must provide a monthly detailed analysis of all fees charged to the City.
- Contractor must maintain an audit trail of all check Transactions that have occurred during the life of this Agreement and that audit trail must be available for review or audit upon request by the City.
- To provide reports on SLAs

Training

- Contractor must provide on-site training to authorized City of Chicago personnel, on its System (e.g. navigation, report generation, etc.).
- Contractor must train additional users and have new users fully operational within 15 business days from the City's request.
- There is no additional cost to the City for the training provided by the Contractor.

Technical Requirements and Support

- The City will provide a PC for each of its employees requiring access into the Contractor's System (i.e. personnel authorized for accepting check payments).

No Change in Original Contract Scope.

RP

- Contractor must maintain a positive and negative database with real-time System updates as required to support check processing.
- Contractor must expand the System as needed to additional sites or City departments at no extra cost to the City.
- Contractor must provide the City with 24 hour, 7 days a week Customer Service support and system support. After hours support is by pager, cell phone or special phone number.
- Contractor must provide ongoing training and support as needed.
- To report issues, the City would call ACH Direct Customer Service at 469-675-9920 Option 2.
- Contractor must provide Customer Service support to City customers who have had their checks denied by the System.
- Contractor must make best efforts to resolve reported problems within 24 hours.

Compensation and Deposits

- Contractor must invoice the City for Gateway and Verification Services contracted for, including, walk-in payments, telephone payments, mail-in payments, and kiosk payments.
- Expand - Contractor must submit all electronic checks to an ODFI that is a City-certified bank.
- Contractor must not add a service charge or fee to the account of the person making payment to the City or characterize the Transaction as a cash-advance or as one subject to immediate interest charges.
- Contractor must reimburse the City for any lost interest when deposits are not made on the day after the Transaction, if directly caused by Contractor's action or inaction, at the average Federal Funds rate for the period during which the funds were not deposited.
- Contractor must provide with each invoice to the City: Transaction activity by location which details any service fees, etc.

Service Standard Guarantees

No Change in Original Contract Scope.

42

RP

- Contractor must enable an unlimited number of users to process check-verification and ACH Gateway Transactions simultaneously.
- Contractor must enable online check verification and ACH Gateway processing 24 hours a day, 7 days a week.
- Uptime for Contractors's systems will be 99.99% with an average response time of 5 seconds,
- Contractor must ensure that the System is not down for more than 0.2% of the time.
- Contractor must provide detailed Transaction data as needed for any City Transaction that occurred during the duration of the Agreement.
- All reports, excluding ad hoc reporting, must be delivered to the City within 24 hours of the request.
- Contractor warrants and represents that the City does not require a software licensing agreement to use Payments Gateway.

No Change in Original Contract Scope.

RP

- Contractor must enable an unlimited number of users to process check-verification and ACH Gateway Transactions simultaneously.
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- Contractor must ensure that the System is not down for more than 0.2% of the time.
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- All reports, excluding ad hoc reporting, must be delivered to the City within 24 hours of the request.
- Contractor warrants and represents that the City does not require a software licensing agreement to use Payments Gateway.

Mo Chang

RF



April 23, 2021

City of Chicago – Department of Procurement Services
Shannon E. Andrews, Chief Procurement Officer
121 N. LaSalle Street, Suite 806
Chicago, IL 60602

RE: Sole Source Request - Specification # 51810, PO # 17560

Dear Ms. Andrews,

The purpose of this letter is to support the Department of Finance's request for a 12-month extension ending June 24, 2022, or until a new contract is awarded (whichever comes first) with respect to the Professional Services Agreement ("Agreement") between the City of Chicago ("City") and Forte Payment Systems, Inc. ("Forte"), formerly known as ACH Direct, Inc., dated June 25, 2008.

Forte has served as the City's exclusive and unique provider for ACH gateway and verification services since 2008. Forte is the exclusive provider of these services and unique because we:

- Have proprietary interfaces and software that is installed on equipment designed to process payments for the City of Chicago.
- Are currently ready, willing, and able to continue to process transactions immediately.
- Can sustain its existing Payments Gateway services required during the extension period (through June 24, 2022).
- Support the Payments Gateway operations that currently exists. Our custom software has been developed, integrated, and approved for IT compatibility with the City systems, as required for payment transactions to be executed securely and without interruption.

As such, Forte and the City have come to an agreement that all terms and conditions of the current existing Agreement will continue to govern the relationship between the parties thereto and Forte specifically hereby agrees to continue to fulfill all of its obligations to the City under the terms of the Agreement.

Forte shall continue as the City's exclusive and unique provider for ACH gateway and verification services and provide the processes and functionality that Forte has created for the City. Specific services that we have implemented and will continue to provide include but are not limited to the following details:

- Support an ODFI relationship with Harris BMO solely to process the City's ACH payments directly to their bank.
- Resubmit RCK items through our Virtual Terminal.
- Re-present returned ACH items to support the City's reconciliation needs:
 - Resubmit MIDs are utilized to automatically resubmit items.

500 West Bethany Drive, Suite 200, Allen, Texas 75013-3730

City of Chicago – Department of Procurement Services
Shannon E. Andrews, Chief Procurement Officer
April 21, 2021
Page 2

- Support the ability for the City to receive the entire fee charged to the customer and pay Forte our portion on a monthly basis.
- Support integration with City's vendors.
- Manually create a report every month containing return and Forte Verify results in the requested format.
- Provide the City with NSF return fee data on a weekly basis.

Through the terms of this letter, Forte agrees to the continuation in pricing for the City as follows:

- Gateway Fee: \$0.03 per transaction
- Verification Fee: \$0.22 per transaction

Thank you for your time and attention. We appreciate your business and look forward to continuing and growing our business relationship.

Sincerely,



Jeff Kump
VP Payments Operations



CITY OF CHICAGO

DEPARTMENT OF FINANCE

May 21, 2021

To: Jacquelyn Charleston
Deputy Procurement Officer

From: ***Reshma Soni***
electronically signed and sent via email
Comptroller

Subject: Continuation of Full Waiver for *CSG Forte Payments, Inc.* (“*Forte*”) for:
NCRB Application Requesting Approval for *CSG Forte Payments, Inc.*
(formerly known as: *Forte Payment Systems, Inc.*)
Additional 12-month Extension Ending 6/24/2021
Vendor Limit Increase in the Amount of \$181,308.64

Source Req. # 386234 Specification # 51810 PO # 17560
Contract Title: Check Processing Services
Original Contract Start Date: 6/25/2008 Original End Date: 6/24/2013
Original Extension Options Available: Up to 3 years ending 6/24/2016
Current End Date: 6/24/2021
At-Risk Revenue Value: \$1,220,000,000 per year (approx.)

This memo is a full waiver request, submitted in conjunction with a separately submitted Non-Competitive Review Board (NCRB) contract extension request for the *CSG Forte Payments, Inc.* (“*Forte*”) contract.

DOF is hereby requesting Procurement to continue its granting of the full 16.9% MBE and 4.5% WBE waiver as was previously granted by the Chief Procurement Officer on May 12, 2020, for the prior contract extension period ending 6/24/2021. The NCRB contract extension request here, is for an additional 12-month period ending 6/24/2022, or until the new contract¹ is awarded; whichever occurs first. The NCRB extension request includes a VLI in the amount of \$181,308.64 to cover anticipated costs through the extension period, if needed.

DOF’s concurrence with *Forte*’s full MBE/WBE waiver request is fully supported up to and through the additional extension period, ending 6/24/2022 or until the new contract is awarded; whichever occurs first.

Further, there have been no changes, nor do we anticipate any changes, in terms of contract scope requirements, pricing, usage volumes, or any other factors that could possibly create a practical or meaningful opportunity for *Forte* to consider pursuing a direct or indirect subcontracting relationship with any MBE or WBE through the extension period.

The following paragraphs shall reiterate why a direct MBE/WBE commitment has not and is still not practicable and why a full 16.9% MBE and 4.5% WBE waiver² should continue to be sustained throughout the extension period and any remaining life of the contract.

¹ The new/replacement “Check Processing Services” RFP, Specification number 245583, was advertised on March 8, 2018. Four proposals were received. In February 2019, the Comptroller submitted her recommendation to begin negotiations with the selected Respondent, to the Chief Procurement Officer. The Chief Procurement Officer concurred with the Comptroller’s recommendation to negotiate with Forte, in June 2019. Currently, the City is in the initial stages of the first round of negotiations.

² In 2016, the Chief Procurement Officer approved a reduction of *Forte*’s WBE commitment, from 4.5% to 2.0% based on prior indirect spend amounts.

Forte provides the City with electronic banking related services, where transactions occur from their Allen, Texas-based systems. The electronic transactions involve check-payments, made by the public to the City, which undergo a check verification, and check conversion processes, via “Automated Clearing House processing” (ACH) – commonly referred to as electronic check processing. This process must comply with the Federal Reserve Bank and the National Automated Clearing House Association (NACHA) highly restrictive security protocols and other rules governing the banking community with respect to the electronic processing of financial information. *Forte* is a member of this banking community and is able to process the City’s check payment related data transactions via ACH and NACHA. Since the nature of their services is transaction-based which is done online, there is no reasonable opportunity for subcontracting any of the process work. Direct compliance with an MBE or WBE has been and still is ruled-out.

A full waiver from requiring 16.9% MBE and 4.5% WBE direct compliance is, therefore, requested to be sustained because the financial information exchanged between the City and *Forte* can only be processed through the direct and secure interface connections that were configured during the initial implementation of these contracted services. No third party can expect to be reasonably or practically inserted as a subcontractor into this stream because no portion of this electronic process should be fragmented or otherwise rerouted to a third-party outside of *Forte*’s electronic banking transaction processes.

Due to the restrictions of how these particular financial services must be conducted, *Forte* continues to have no meaningful or practical MBE/WBE subcontracting opportunities that can be achieved on a direct or indirect basis. Although significant amounts of indirect MBE/WBE compliance had been achieved during the beginning years of this contract via large purchases of commodities from MBE/WBE vendors, this is no longer a reasonable expectation. Further, C2 currently indicates a total of 11.9% above goal spend amounts to date.

Because *Forte* has exhibited good faith efforts to comply with the MBE/WBE program via their earlier indirect purchases, and since direct compliance has never been considered practicable, DOF is again requesting that a full waiver from an MBE and WBE commitment be granted for the extension period ending 6/24/2022.

Please contact Steve Sakai at 744-2894 if you require further information.

Attachments

RS:sys

cc: Joel Flores – DOF
Richard Ponce – DOF
Miriam Velazquez – DOF
Steve Sakai – DOF
Teri Davis – DOF



April 23, 2021

City of Chicago – Department of Procurement Services
Shannon E. Andrews, Chief Procurement Officer
121 N. LaSalle Street, Suite 806
Chicago, IL 60602

RE: Forte MBE/WBE Waiver Request for Contract Extension

Dear Ms. Andrews,

The purpose of this letter is to address the 12 month extension ending June 24, 2021 or until a new contract is awarded, whichever comes first, and any MBE/WBE spending requirements under the Professional Services Agreement (PO #17560), dated June 25, 2008, between CSG Forte Payments, Inc. (formerly Forte Payments, Inc. and ACH Direct, Inc.) and the City of Chicago. We would appreciate your consideration of a continuation of the previously granted 16.9% MBE and 4.5% WBE full waiver, pursuant to the March 30, 2017 approval letter from Rich Butler.

The current agreement between Forte and the City of Chicago includes a requirement that all vendors contracting with the City buy/invest ~16.9% of the proceeds paid to an MBE and ~2.0% to a WBE. Forte has met the MBE requirement by making a substantial purchase at the onset of the agreement, above the required percentage, allowing for this requirement to be met through the current term of the agreement ending June 24, 2021. That one-time purchase, at the time, was credited as an "indirect" purchase (for equipment and toner, etc.) in an effort solely to meet the MBE goals.

Forte is again requesting that the City grant us a waiver for both the MBE and WBE requirement through the extension term ending June 24, 2022, for the following reasons:

- Forte does not sub-contract services: all services provided to the City are managed within our organization.
- Forte has existing vendor contracts in place for purchasing commodities locally, here in Texas, and therefore it would be impractical for us to commit to making such purchases from vendors in the Chicagoland area.
- Forte shall continue to hold its reduced compensation (fees that Chicago pays Forte) during the additional extension period.

Thank you for your time and attention. We appreciate your business and look forward to continuing and growing our business relationship.

Sincerely,

A handwritten signature in black ink that reads "Jeff Kump". The signature is written in a cursive, slightly slanted style.

Jeff Kump
VP Payments Operations



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
04/19/2021

THIS EVIDENCE OF PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

AGENCY MARSH USA INC. 1225 17TH STREET, SUITE 1300 DENVER, CO 80202-5534 CN101958130-STND-PROP-20-21		PHONE 303 308 4500 (A/C, No, Ext):	COMPANY Zurich American Insurance Company	
FAX (A/C, No):	E-MAIL ADDRESS:			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #:		LOAN NUMBER		POLICY NUMBER PPR6448026-02
INSURED CSG Systems International, Inc. CSG Forte Payments, Inc. 6175 S Willow Drive Greenwood Village, CO 80111		EFFECTIVE DATE 11/30/2020	EXPIRATION DATE 11/30/2021	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

PERILS INSURED	BASIC	BROAD	<input checked="" type="checkbox"/> SPECIAL
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COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Blanket Personal Property	250,000,000	25,000
Business Income	Included	
Valuable Papers and Records	1,000,000	25,000
Except as otherwise provided, the loss or damage must be caused by or result from a peril not otherwise excluded; and occur at, or within 1,000 feet of the premises shown in the Declarations.		
Other Deductibles may apply per policy terms and conditions		

REMARKS (Including Special Conditions)


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CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

SEA-003624774-08

NAME AND ADDRESS City of Chicago Department of Procurement Services City Hall, Room 806 121 N. LaSalle Street Chicago, IL 60602	<input type="checkbox"/> ADDITIONAL INSURED	<input type="checkbox"/> LENDER'S LOSS PAYABLE	<input type="checkbox"/> LOSS PAYEE
	<input type="checkbox"/> MORTGAGEE	LOAN #	
	AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Jon Lindstrom 		



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/19/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA INC. 1225 17TH STREET, SUITE 1300 DENVER, CO 80202-5534	CONTACT NAME:		
	PHONE (A/C, No, Ext):	FAX (A/C, No):	
E-MAIL ADDRESS:			
CN101958130-STND-GAWUE-20- INSURED CSG Systems International, Inc. CSG Forte Payments, Inc. 6175 S Willow Drive Greenwood Village, CO 80111	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : American Zurich Insurance Company		40142
	INSURER B : American Guarantee and Liability Insurance Company		26247
	INSURER C : Beazley Insurance Company, Inc.		37540
	INSURER D :		
	INSURER E :		
INSURER F :			


COVERAGES **CERTIFICATE NUMBER:** SEA-003621681-08 **REVISION NUMBER:** 4

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			GLA 6142522 - 02	11/30/2020	11/30/2021	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			GLA 6142522 - 02	11/30/2020	11/30/2021	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			AUC 6142523 - 02	11/30/2020	11/30/2021	EACH OCCURRENCE	\$ 10,000,000
							AGGREGATE	\$ 10,000,000
								\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N	WC 6534081 - 02	11/30/2020	11/30/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
C	Professional Liability			W2974E200201	11/30/2020	11/30/2021	Limit	2,000,000
							SIR/Retention Applies	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 City of Chicago is included as additional insured where required by written contract with respect to General Liability and Auto Liability.

CERTIFICATE HOLDER**CANCELLATION**

City of Chicago Department of Procurement Services City Hall, Room 806 121 N. LaSalle Street Chicago, IL 60602	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Jon Lindstrom 
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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/19/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH USA INC. 1225 17TH STREET, SUITE 1300 DENVER, CO 80202-5534 CN101958130-STND-GAWUC-20-	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL: ADDRESS:	FAX (A/C, No):													
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : N/A</td> <td>N/A</td> </tr> <tr> <td>INSURER B : N/A</td> <td>N/A</td> </tr> <tr> <td>INSURER C : Federal Insurance Company</td> <td>20281</td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : N/A	N/A	INSURER B : N/A	N/A	INSURER C : Federal Insurance Company	20281	INSURER D :		INSURER E :		INSURER F :
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : N/A	N/A														
INSURER B : N/A	N/A														
INSURER C : Federal Insurance Company	20281														
INSURER D :															
INSURER E :															
INSURER F :															
INSURED CSG Systems International, Inc. CSG Forte Payments, Inc. 6175 S Willow Drive Greenwood Village, CO 80111															

COVERAGES **CERTIFICATE NUMBER:** SEA-003624773-08 **REVISION NUMBER:** 8

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	\$
	UMBRELLA LIAB EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE	\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE	OTH-ER
C	Crime			8139-1051	11/30/2020	11/30/2021	Limit	2,000,000
							SIR/Retention Applies	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER City of Chicago Department of Procurement Services City Hall, Room 806 121 N. LaSalle Street Chicago, IL 60602	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Jon Lindstrom
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CERTIFICATE OF FILING FOR
CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 162032

Certificate Printed on: 04/16/2021

Date of This Filing:04/16/2021 04:14 PM

Original Filing Date:04/16/2021 04:14 PM

Disclosing Party: CSG Forte Payments, Inc.

Title:VP Payment Operations

Filed by: Jeff Kump

Matter: Check Processing Services, including
check authorization and electronic.

Applicant: CSG Forte Payments, Inc.

Specification #: 51810

Contract #: 17560

The Economic Disclosure Statement referenced above has been electronically filed with the City. Please provide a copy of this Certificate of Filing to your city contact with other required documents pertaining to the Matter. For additional guidance as to when to provide this Certificate and other required documents, please follow instructions provided to you about the Matter or consult with your City contact.

A copy of the EDS may be viewed and printed by visiting <https://webapps1.chicago.gov/eds> and entering the EDS number into the EDS Search. Prior to contract award, the filing is accessible online only to the disclosing party and the City, but is still subject to the Illinois Freedom of Information Act. The filing is visible online to the public after contract award.

Section I: General Contract Information	
Department Name	Finance
Department Contact Name	Richard Ponce or Miriam Velazquez
Department Contact Number	312-745-2892
Department Contact Email	Richard.Ponce@cityofchicago.org Miriam.Velazquez@cityofchicago.org
Contract Number	17560
Contract Subject Name	Check Processing Services, Including Check Authorization and Electronic Check Conversion Services.
Contract Initiation Date	6-25-2008
Original Contract Amount	\$690,000.00
Original Contract Expiration Date	6-24-2013
Budgeted amount for current year	\$235,200.00
Year to date expenditure	\$1,606,100.93 {in FMPS for <i>CSG Forte Payments, Inc.</i> PO# 17560 as of 5-17-2021}
Are funds	<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> TIF <input type="checkbox"/> Grant
What is the funding strip?	021-0100-0272020-0140-220140
If contract modification or task request is approved, will department have enough funds to cover new expenditure?	Yes
If no, what is the plan to address the short fall?	N/A
Section II: Contract Modifications	
Complete this section if you are modifying the value of an existing contract.	
Contract Value Increase	\$1,917,759.36 (VLI for 12-Months ending 6-24-2022)
New total contract amount	\$1,736,450.72 (current contract amount in FMPS) + \$181,308.64 (VLI) = \$1,917,759.36 (New contract amount).

New contract expiration date	6-24-2022 (12- Month Xtn)
Goods/services provided by this contract	Check Processing Services, Check Authorization, and Electronic Check Conversion Services.
Justification of need to modify this contract	Increase Vendor Limit to cover anticipated costs through the 12-month contract extension through 6-24-2022.
Impact of denial	This is a Revenue Generating contract, without it the City would not be able to accept Checks as a form of payment.
Section III. Issue a Request for Services to a Master Consulting Agreement	
Complete this section if you want to issue a request for services to a Master Consulting Agreement	
Value of planned task order request	N/A
Expiration date of planned task order request	N/A
Scope of services	N/A
Justification of need to issue request for services	N/A
Impact of denial	N/A
Section IV: Assessment of Office of Budget and Management Analyst	
Approve/Deny	This revised request is approved. The \$235,200 budgeted by the Department of Finance for these services for 2021 are still sufficient for covering expenses indicated by the department in the updated contract amount documentation. The Department of Finance is responsible for monitoring projects for any needed contract modifications. Funding for 2022 and beyond is yet to be requested or determined via the annual appropriation process. It is also the responsibility of the Department of Finance to request and ensure funding is approved for future years.
OBM Analyst Initials	<i>MJ</i>
OBM Analyst Name/number	Matthew Jakubowski / 312-744-4318 Approved: 5-21-2021

CSG FORTE PAYMENTS, INC.
VENDOR LIMIT INCREASE (VLI) WORKSHEET AS OF 5-17-21
for 12-MONTH EXTENSION AMENDMENT PERIOD ENDING 6-24-2022

Existing Scope Cost		12 Month Cost
	Vendor Cost	
Oct-20	\$16,055.52	
Nov-20	\$14,853.58	
Dec-20	\$17,787.53	
	\$48,696.63	
Avg Monthly Amount	\$16,232.21	
10% increase in volume	\$1,623.22	
Total Monthly Cost	\$17,855.43	
Total Annual Cost		\$214,265.17
Total Amendment Period Cost		\$214,265.17

VLI Calculation	
PO Balance as of 05-17-2021	\$130,349.79
Projected Payments	
Jan-21	(\$16,232.21)
Feb-21	(\$16,232.21)
Mar-21	(\$16,232.21)
Apr-21	(\$16,232.21)
May-21	(\$16,232.21)
Jun-21	(\$16,232.21)
	(\$97,393.26)
Projected PO Balance 06-24-21	\$32,956.53
Projected Amendment Period Cost	(\$214,265.17)
Shortfall	(\$181,308.64)
Total VLI	\$181,308.64
Current Contract Limit	\$1,736,450.72
New Contract Limit including VLI	\$1,917,759.36

CSG Forte Payments Inc. PO# 17560

PO Remaining Balance Worksheet

Print Date 5-17-2021

Jon's PO Header	Description	Begins On	Expires On	Contract Limit	Amount	Amount Agreed	Matched Amount	Buyer
17560	CSG FORTE PAYMENTS INC CHECK PROCESSING SERVICES,	25-JUN-2008	24-JUN-2021	1,736,450.72	1,606,100.93	690,000.00	1,606,100.93	CHAN,

\$1,736,450.72	Contract Limit
\$1,606,100.93	Amount Encumbered
\$130,349.79	PO Remaining Balance as of 5-17-2021