



**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	Richard Ponce	745-2892	03-9-2020	
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:
Jason D Cassuto	469.393.6414	jason.cassuto@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: 9

Department Request Approval	Recommended Approval
DEPARTMENT HEAD OR DESIGNEE	BOARD CHAIRPERSON
3/18/2020	MAY 12 2020
DATE	DATE
RESHMA SONI	STEVEN M. LOBODA
PRINT NAME	PRINT NAME

(FOR NCRB USE ONLY)

Recommend Approval/Date: _____

Return to Department/Date: _____

Rejected/Date: _____

Approved Rejected

CHIEF PROCUREMENT OFFICER

DATE



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

All applicable information on this worksheet must be addressed using each question found on the "Instructions for Non-Competitive Procurement Application" in this application.

Justification for Non-Competitive Procurement Worksheet

PROCUREMENT HISTORY

In December 2004, the Department of Revenue (before its merge into the Department of Finance) issued an RFQ(RFP) (Specification No. 22215), in order to solicit "Check Processing Services".

In January 2006, the Chief Procurement Officer recommended that this requirement be brought forth to the Sole Source Board since the attempts to solicit these services were unsuccessful and did not result in a contract.

In October 2006, the NCRB approved pursuing a contract with ACH Direct, Inc.

In May 2007, the NCRB approved an amendment to the ACH Direct scope for the addition of processing online check payments.

On June 25, 2008, the contract was awarded on this date, to ACH Direct, Inc., under PO# 17560, with a 5+3 year term.

(Continued)

ESTIMATED COST

The estimated annual cost is \$233,969.34 per year.

DoF requests an estimated PO vendor limit increase in the amount of \$285,767.47, estimated as the amount that may be needed to cover the 12-month extension period, ending 6/24/2021, to complete the replacement contract process, with CSG Forte Payments, INC., under Specification number 245583.

Attached by reference is the OBM Approval Form and VLI calculation worksheet.

(Continued)

SCHEDULE REQUIREMENTS

The current 6/24/2020 contract end date is to be extended for an additional 12-month period ending 6-24-2021, or until the new contract is awarded, in order to sustain uninterrupted payment transaction and related services from the Vendor, providing additional time to complete the replacement contract process.

(Continued)

EXCLUSIVE OR UNIQUE CAPABILITY

1. Only the current Vendor has the online Payments Gateway infrastructure available via the existing contract and is willing and able to provide uninterrupted services as proposed in this extension request. Customized software development and integrations into the City systems required for the payments gateway operations, currently only exists with this Vendor. Their continued involvement is needed to sustain the processing of over \$1.2 billion dollars in annual revenue payments.

(Continued)

OTHER

1. Payment Gateway services were implemented with the goal of being able to process electronic check (ACH) payments, check and ACH bank verification, and check conversion services. These services have, thus far, supported the City in its ability to realize over \$5.5 billion ACH payments to the City.



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.

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.

In March 2018, DPS advertised an open solicitation as an RFP (Specification number 245583 for "Check Processing Services") as the Forte "replacement" contract, and check processing related scope of work. Proposals were received in June 2018. As of this writing, the EC has chosen Forte.

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 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.

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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.

Since Forte's online "Payments Gateway" Internet platform was first implemented, approximately **\$5.5 billion** in revenue has been processed at a cost to the City in the amount of **\$1,396,131**.

Additionally, the Forte's check conversion services have allowed for the conversion of returned paper checks not originally processed through their Payments Gateway. Of those converted returned check payments, 70% are collected prior to the City having to perform normal returned payment processing and collection.

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.)

A new replacement services RFP for "Check Processing Services" was developed and submitted to DPS under Specification # 245583. The Check Processing Services RFP was advertised on March 8, 2018.

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. As of this writing, the draft Agreement is still in circulation for internal reviews, edits, and approvals (prior to being sent to Forte for their initial review).

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, currently, Forte is implementing its proprietary interfaces and software that is installed on their proprietary equipment to process payments today. Accordingly, Forte is the only entity capable of providing the uninterrupted services required to process check payment transactions 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 already been met pursuant to the RFP process described above.

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

Competitive bidding in the future is possible having been already met pursuant to the RFP process described 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 \$285,767.47 (VLI for 12-month extension ending 6-24-2021).

What is the funding source?

020-100-27-2020-0140-0140; and 020-200-27-2020-0140-0140.

2. What is the estimated cost by fiscal year?

The estimated annual cost is \$233,969.34.

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 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 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, 2021.

Detail why the estimated cost is deemed reasonable.

Considering that the contract with *Forte* is due to expire on June 24, 2020, 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 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 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, 2020).

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 beginning stages of the negotiation process) 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 the negotiations phase) 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.**

Only Forte can 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 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?**
No.
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?**
Only Forte manages 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?**
The degree of professionalism, expertise, and responsiveness experienced throughout the years, from inception through current day relationships, as well as the confidence in meeting the deliverables without problem or breach, is a quality possessed by Forte's business team extended to the City. Only Forte can provide and sustain this service expectation without interruption.
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.

For this current 12-month extension request ending 6/24/2021 plus VLI request, Forte has again requested a 16.9% MBE and 4.5% WBE waiver request. DOF has submitted its waiver concurrence package to DPS Compliance for this current 12-month extension ending 6/24/2020.

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, 2021, 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.



DEPARTMENT OF FINANCE
CITY OF CHICAGO

March 18, 2020

To: Shannon E. Andrews
Chief Procurement Officer

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

From: Reshma Soni
Reshma Soni
City Comptroller

Subject: **NCRB Application Requesting Approval for an Additional 12-month Extension Ending 6/24/2021 for CSG Forte Payments, Inc.; plus a Vendor Limit Increase in the Amount of \$285,767.47.**

Source Req. # 329572 Specification # 51810 PO # 17560
Contract Title: Check Processing Services
Original Contract Start Date: 6/25/2008
Vendor Name: **CSG Forte Payments, Inc.**
Original End Date: 6/24/2013
Original Extension Options Available: Up to 3 years ending 6/24/2016
Current End Date: 6/24/2020
At-Risk Value: \$1,220,000,000 per year (approx.)

This is a request for approval by the NCRB for an additional 12-month extension ending 6/24/2021 (or until the new contract is awarded and the new implementation has “gone live”; whichever comes first). This extension request includes a \$285,767.47 Vendor Limit Increase (VLI) to cover the anticipated costs through the extension period for the above referenced Contract with **CSG Forte Payments, Inc.**, (formerly known as: *Forte Payment Systems, Inc.*; and prior to that, was formerly known as: *ACH Direct, Inc.*).¹ No changes in scope or pricing, terms or conditions (except as may be required by the Department of Procurement Services), are applicable to this NCRB application request.

Generally, the scope of this contract requires the Contractor (“*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”.

¹ On 6/25/2008, the contract was originally awarded to *ACH Direct, Inc.* On 4/2/2013 *ACH Direct Inc.*’s name was changed to *Forte Payment Systems, Inc.* In October 2018, *Forte Payment Systems, Inc.* announced its acquisition by *CSG Systems International, Inc.* On 1/11/2019, *Forte Payment Systems, Inc.* requested the Department of Procurement Services to process a name-change to *CSG Payment Systems, Inc.* On 1/14/2019, DPS approved and put into effect the name change to *CSG Forte Payments, Inc.* The PO number has remained the same and has never been changed since the original contract was awarded to *ACH Direct, Inc.*

Last year, an NCRB application for the above referenced contract was submitted on 2/22/2019, requesting that the Contract be amended to provide a 12-month extension (along with a \$136,289.37 VLI) which shall expire on 6/24/2020. At that time, the Department of Finance's (DOF) Check Processing Services replacement RFP (Specification number 245583) advertised on 3/8/2018. That RFP process is currently in the draft-Agreement development and early negotiation phase with the incumbent, *Forte*.

The extension and VLI requested herein is necessary in order to sustain the City's payment processing operations with continued check processing services until the new contract is drafted, negotiated, executed, and awarded, and the new solution is fully implemented.

DOF's contracts liaison, Steve Sakai is scheduled to attend the NCRB meeting along with the subject matter experts: Richard Ponce, Deputy Director, and David Medina, Assistant Director.

Attached, in support of this NCRB request, are the following:

- 1) FMPS Requisition number 329572
- 2) NCRB application form (cover page signed and support pages attached)
- 3) DPS Project Checklist
- 4) Copies of current Scope of Work (signed, indicating "No Change in Scope")
- 5) Written justification of vendor's exclusivity and valid price quote on vendor's letterhead
- 6) MBE/WBE Compliance (submitted to DPS Compliance division)
- 7) Insurance certificate meeting contract requirements (current)
- 8) EDS Certificate of online completion print (current)
- 9) OBM Approval form
- 10) VLI Worksheet

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

RS:sys

cc: Tina Consola – DOF
Richard Ponce – DOF
David Medina – DOF
Sarah Miller – DOF
Miriam Velazquez – DOF
Mark Galvan – DOF
Steve Sakai – DOF
Teri Davis – DOF
Maribel Lopez – DoIT

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:
March 10, 2020

Department Name:
Finance

Requisition No: 329572 **Specification No:** 51810

PO No: 17560 **Modification No:**

Contract Liaison:
Teri Davis

Telephone:
4-9080

Email:
Teri.Davis@cityofchicago.org

Project / Program Manager:
Richard Ponce

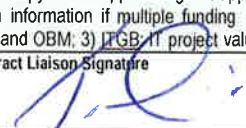
Telephone:
5-2892

Email:
Richard.ponce@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: If project valued at \$100,000.00 or more, attach approval transmittal sheet.

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

***Contract Liaison Signature**



Check One:

New Contract Request

**By signing below, I attest the estimates provided for this contract are true and accurate.*

Project Title:
Check Processing Services

Project Description:
Additional 12-Month Extension with VLI for CSG Forte Payment Inc.

Funding:

Corporate Bond Enterprise Grant Other:

IDOT/Transit IDOT/Highway FHWA FTA FAA

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	PROJECT	RPTG	ESTDOLLAR AMOUNT
	020	0100	027	2020	0140	220140			\$285,767.47

***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)

Purchase Order Information:

Contract Term (No. of Months): 12

Extension Options (Rate of Recurrence): 1-Year

Estimated Spend/Value: \$ 285,767.47

Procurement Method:

Bid RFP RFQ RFI
 Small Order

Grant Commitment / Expiration Date:

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

Contract Type:

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

Modification or Amendment

Modification Information:

PO Start Date: 6-24-2008
PO End Date: 6-24-2021
Amount (Increase/Reduction):

Modification/Amendment Type:

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

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
Contact: Tricia Lehman
Address: 500 W. Bethany Drive Suite 200 Allen, TX 75013
E-mail: tricia.lehman@forte.net
Phone: 866-290-5400 ext 789

Risk Management / EDS

Insurance Requirements (included) Yes No
EDS Certification of Filing (included) Yes No

Section I: General Contract Information	
Department Name	Finance
Department Contact Name	Richard Ponce or David Medina
Department Contact Number	312-745-2892
Department Contact Email	Richard.Ponce@cityofchicago.org David.Medina@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	\$252,200
Year to date expenditure	\$1,396,131.68 {in FMPS for <i>CGS Forte Payments Inc</i> PO# 17560}
Are funds	<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> TIF <input type="checkbox"/> Grant
What is the funding strip?	020-0100-0272020-0140-220140 = \$235,200 020-0200-0272020-0140-220140 = \$17,000
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	\$285,767.47(VLI for 12-Months)
New total contract amount	\$1,450,683.25 (current contract amount in FMPS) + \$285,767.47 (VLI) =

	\$1,736,450.72 (New contract amount).
New contract expiration date	6-24-2021(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 6-24-2021.
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 VLI is approved for the \$252,200 appropriated for the Department of Finance in 2020. The Department of Finance will have to incur any additional contract costs beyond the budgeted total on the provided funding strips. Please advise OBM if this amount is going to exceed the \$252,200 appropriated and again if costs exceed the requested \$285,767.47. Please note that funding for 2021 and beyond has not been determined nor appropriated. The Department of Finance will be responsible for requesting the necessary amount (including any factored increases) in the 2021 budget process.
OBM Analyst Initials	<i>MJ</i>
OBM Analyst Name/number	Matthew Jakubowski / 312-744-4318 / 2-13-2020

CSG FORTE PAYMENTS, INC.
VENDOR LIMIT INCREASE (VLI) WORKSHEET AS OF 1-30-2020
for 12-MONTH EXTENSION AMENDMENT PERIOD ENDING 6-24-2021

Existing Scope Cost		12 Month
	Vendor Cost	Cost
Oct-19	\$17,963.18	
Nov-19	\$17,127.87	
Dec-19	\$18,083.80	
	<u>\$53,174.85</u>	
Avg Monthly Amount	\$17,724.95	
10% increase in volume	<u>\$1,772.50</u>	
Total Monthly Cost	\$19,497.45	
Total Annual Cost		\$233,969.34
Total Amendment Period Cost		\$233,969.34

VLI Calculation	
PO Balance as of 01-30-2020	\$54,551.57
Projected Payments	
Jan-20	(\$17,724.95)
Feb-20	(\$17,724.95)
Mar-20	(\$17,724.95)
Apr-20	(\$17,724.95)
May-20	(\$17,724.95)
Jun-20	(\$17,724.95)
	<u>(\$106,349.70)</u>
Projected PO Balance 06-24-20	(\$51,798.13)
Projected Amendment Period Cost	<u>(\$233,969.34)</u>
Shortfall	<u>(\$285,767.47)</u>
Total VLI	\$285,767.47
Current Contract Limit	\$1,450,683.25
New Contract Limit including VLI	\$1,736,450.72

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 L, 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.

Richard P. [Signature]

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
Rubalcava

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.
Rubal

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.

Richard R...

- 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.

Rubal R

- 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.

Rubal R...

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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.

No Change
Rubal P. [Signature]



DEPARTMENT OF FINANCE
CITY OF CHICAGO

March 18, 2020

To: Monica Jimenez
First Deputy Procurement Officer

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

From: _____
Reshma Soni
City Comptroller
Department of Finance (DOF)

Subject: Continuation of Full Waiver for *CSG Forte Payments, Inc.* ("*Forte*") for:
NCRB Application Requesting Approval for an Additional 12-month Extension Ending 6/24/2021 for
CSG Forte Payments, Inc. (formerly known as *Forte Payment Systems, Inc.*; and before that, *ACH
Direct, Inc.*); plus a Vendor Limit Increase (VLI) in the Amount of \$285,767.47

Source Req. # 329572 **Specification # 51810** **PO # 17560**
Contract Title: Check Processing Services
Original Contract Start Date: 6/25/2008
Vendor Name: *CSG Forte Payments, Inc.* ("*Forte*")
Original End Date: 6/24/2013
Original Extension Options Available: Up to 3 years ending 6/24/2016
Current End Date: 6/24/2020
At-Risk 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 in April 2019, for the prior contract extension period ending 6/24/2020. The NCRB contract extension request is for an additional 12-month period ending 6/24/2021, or until the new contract¹ is awarded; whichever occurs first. The NCRB extension request includes a VLI in the amount of \$285,767.47 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 6/24/2021 or until the new contract is awarded; whichever occurs first.

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 departments are still internally developing the first draft-Agreement, before sending it to the incumbent: *Forte* for their initial review and sign-off.

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 reasonable 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.

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.

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 6/24/2021.

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

Attachments

RS:sys

cc: Tina Consola – DOF
Richard Ponce – DOF
David Medina – DOF
Miriam Velazquez – DOF
Mark Galvan – DOF
Steve Sakai – DOF
Teri Davis – DOF
Maribel Lopez – DAIS

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.



March 5, 2020

City of Chicago – Department of Procurement Services
ATTN: Shannon E Andrews
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, 2021, 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 CSG Forte Payments, Inc. ("Forte" formerly known as Forte Payments, Inc and 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, 2020).
- 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.

City of Chicago – Department 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.
 - 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



March 5, 2020

City of Chicago – Department of Procurement Services
ATTN: 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 attached March 30, 2017 approval letter from Rich Butler.

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

Attachment(s)



DEPARTMENT OF PROCUREMENT SERVICES

CITY OF CHICAGO

MAR 30 2017

Mr. Jeff Kump
Chief Financial and Operating Officer
Forte Payment Systems, Inc.
500 Bethany Drive, Suite 200
Allen, TX 75013

Re: Request to Waive Minority and Women Owned Business Enterprise Goals
Project: Check Processing Services, including Check Authorization and Electronic
Check Conversion Services
PO No.: 17560

Dear Mr. Kump:

I have reviewed your letter dated February 2, 2017, to request (a) waiver of the WBE goal for the life of the contract, and (b) waiver of the MBE and WBE goals for the term of the Amendment No. 2.

Based on the information provided, I approve your request to waive the 16.9% MBE and 4.5% WBE goals for the life of the contract, due to the specific costs associated with the specialized operation of the secure interfaces and processes that only apply to Forte Payment Systems, Inc.

I commend your commitment to the MBE and WBE program by identifying indirect opportunities available to MBEs and WBEs to partner with you based on your company's procurement needs.

If you have any questions regarding your MBE/WBE compliance plan, please contact Gabriel Rodriguez, Senior Compliance Officer at 312-744-2218 or via email at Gabriel.Rodriguez2@cityofchicago.org.

Sincerely,

Rich Butler
First Deputy Procurement Officer

RB:gr

121 NORTH LASALLE STREET, ROOM 806, CHICAGO, ILLINOIS 60602



CERTIFICATE OF FILING FOR
CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 149983

Certificate Printed on: 03/05/2020

Date of This Filing:03/05/2020 10:40 AM

Original Filing Date:03/05/2020 10:40 AM

Disclosing Party: CSG Forte Payments, Inc.

Filed by: Jeff Kump

Title:VP Payment Operations

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 <http://webapps1.cityofchicago.org/EDSWeb> 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.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/26/2019

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-19- 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-003621681-04 **REVISION NUMBER:** 3

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	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY 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: _____			GLA614252201	11/30/2019	11/30/2020	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	<input checked="" type="checkbox"/> 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			GLA614252201	11/30/2019	11/30/2020	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 \$ _____			AUC614252301	11/30/2019	11/30/2020	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 <table style="float: right; margin-left: 20px;"> <tr> <td>Y / N</td> <td></td> </tr> <tr> <td>N</td> <td>N / A</td> </tr> </table>	Y / N		N	N / A			WC653408101	11/30/2019	11/30/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
Y / N												
N	N / A											
							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			W2974E190101	11/30/2019	11/30/2020	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 City of Chicago Department of Procurement Services City Hall, Room 806 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 LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/26/2019

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-19-	CONTACT NAME: PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____	
	INSURER(S) AFFORDING COVERAGE INSURER A : N/A INSURER B : N/A INSURER C : Federal Insurance Company INSURER D : _____ INSURER E : _____ INSURER F : _____	NAIC # N/A N/A 20281

COVERAGES **CERTIFICATE NUMBER:** SEA-003624773-04 **REVISION NUMBER:** 6

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 <input type="checkbox"/> OTHER:						EACH OCCURRENCE	\$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
							MED EXP (Any one person)	\$
							PERSONAL & ADV INJURY	\$
							GENERAL AGGREGATE	\$
							PRODUCTS - COMPI/OP AGG	\$
								\$
	AUTOMOBILE LIABILITY <input 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						COMBINED SINGLE LIMIT (Ea accident)	\$
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE	\$
							AGGREGATE	\$
								\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / <input type="checkbox"/> N / A If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$
C	Crime			8139-1051	11/30/2019	11/30/2020	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 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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EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
11/26/2019

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		PHONE (A/C, No. Ext): 303 308 4500	COMPANY Zurich American Insurance Company	
CN101958130-STND-PROP-19-20				
FAX (A/C, No):		E-MAIL ADDRESS:		
CODE:		SUB CODE:		
AGENCY CUSTOMER ID #:		LOAN NUMBER		POLICY NUMBER PPR644802601
INSURED CSG Systems International, Inc. CSG Forte Payments, Inc. 6175 S Willow Drive Greenwood Village, CO 80111		EFFECTIVE DATE 11/30/2019	EXPIRATION DATE 11/30/2020	<input type="checkbox"/> CONTINUED UNTIL <input type="checkbox"/> 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

COVERAGE / PERILS / FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE	PERILS INSURED			
			BASIC	BROAD	<input checked="" type="checkbox"/> SPECIAL	
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)

REMARKS (Including Special Conditions)

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-003624774-04

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