

**FILE COPY**

**JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT**

**COMPLETE THIS SECTION IF NEW CONTRACT**

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with ACH Direct, Inc. for the product and/or services described herein.  
 (Name of Person or Firm)

This is a request for \_\_\_\_\_ (One-Time Contractor Requisition # 30493, copy attached) or  Term Agreement or \_\_\_\_\_ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" for all contracts within the \_\_\_\_\_ (Attach List) Pre-Assigned Specification No. \_\_\_\_\_ (Program Name) Pre-Assigned Contract No. \_\_\_\_\_

**COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT**

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, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: \_\_\_\_\_ Company or Agency Name: ACH Direct, Inc.  
 Specification # 51810  
 Modification #: \_\_\_\_\_ Contract or Program Description: Check Verification Services  
 (Attach List, if multiple)

Christine Haynes 312 744-9481 Christine Haynes Revenue 5/16/07  
 Originator Name Telephone Signature Department Date

Indicate SEE ATTACHED in each box below if additional space needed:

<input checked="" type="checkbox"/> PROCUREMENT HISTORY	SEE ATTACHMENT	S. S. R. B.
<input checked="" type="checkbox"/> ESTIMATED COST	SEE ATTACHMENT	DATE <u>6/8/07</u> APPROVED <u>DWY</u>
<input checked="" type="checkbox"/> SCHEDULE REQUIREMENTS	SEE ATTACHMENT	CONDITIONALLY APPROVED _____ RETURN TO DEPT. .... DISAPPROVED _____
<input checked="" type="checkbox"/> EXCLUSIVE OR UNIQUE CAPABILITY	SEE ATTACHMENT	
<input checked="" type="checkbox"/> OTHER	SEE ATTACHMENT	

APPROVED BY: [Signature] 5/16/07 [Signature] 6/8/07  
 DEPARTMENT HEAD OR DESIGNEE DATE BOARD CHAIRPERSON DATE

# DPS PROJECT CHECKLIST

For DPS Use Only	
Date Received	_____
Date Returned	_____
Date Accepted	_____
CA/CN's Name	_____

**IMPORTANT:** PLEASE READ AND FOLLOW THE INSTRUCTIONS FOR COMPLETING THE PROJECT CHECKLIST AND CONTACT THE APPROPRIATE UNIT MANAGER IF YOU HAVE ANY FURTHER QUESTIONS. ALL INFORMATION SHOULD BE COMPLETED, ATTACH ALL REQUIRED MATERIALS AND SUBMIT FOR HANDLING TO THE DEPARTMENT OF PROCUREMENT SERVICES, ROOM 403, CITY HALL, 121 N. LASALLE STREET, CHICAGO, ILLINOIS 60602.

**GENERAL INFORMATION:**

Date: May 16, 2007  
 REQ #: 30493  
 Specification #: 51810  
 PO #: (if known): \_\_\_\_\_  
 Modification #: (if known) \_\_\_\_\_

Contact Person: Steven Sakai  
 Tel: 7-3753 Fax: 7-7420  
 E-mail: DR00048@cityofchicago.org  
 Project Manager: Julia Trinh c/o Christine Haynes  
 Tel: 4-9481 Fax: 4-0471  
 E-mail: DR00736@cityofchicago.org

Previous PO(s)#: (if known) \_\_\_\_\_

**Project Description:** Check Verification Services (an addendum to add On-Line Check Payments to the ACH Direct, Inc. approved sole source submittal.)

**FUNDING:**

- |          |                                       |  |                                     |                                 |                                |
|----------|---------------------------------------|--|-------------------------------------|---------------------------------|--------------------------------|
| City:    | <input type="checkbox"/> Corporate    | <input checked="" type="checkbox"/> Bond | <input type="checkbox"/> Enterprise | <input type="checkbox"/> Grant* | <input type="checkbox"/> Other |
| State:   | <input type="checkbox"/> IDOT/Transit | <input type="checkbox"/> IDOT/Highway    | <input type="checkbox"/> Grant*     | <input type="checkbox"/> Other  |                                |
| Federal: | <input type="checkbox"/> FHWA         | <input type="checkbox"/> FTA             | <input type="checkbox"/> FAA        | <input type="checkbox"/> Grant* | <input type="checkbox"/> Other |

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	OBJT	PROJECT	RPTG	\$ DOLLAR AMOUNT
	006	0100	029	4641	0140	0140				\$ 40,000.00

Estimated Value \$40,000.00 for 5-years

\* IF GRANT FUNDED, A COPY OF THE APPROVED GRANT AND APPLICATION ARE REQUIRED and any other Terms and Conditions that may apply.

**SCOPE STATEMENT**

Attached are a **Detailed Scope of Services** and/or **Specification(s)**.

**IMPORTANT:** THIS IS A CRITICAL PORTION OF YOUR SUBMITTAL. IN ORDER FOR DPS TO ACCEPT YOUR SUBMITTAL YOU MUST COMPLETE THE SPECIFIC SCOPE REQUIREMENTS AS SET FORTH IN THE SUPPLEMENTAL CHECKLIST FOR THAT UNIT.

The following is a general description of what should be included in a **Scope of Services or Specification:**

A clear description of all anticipated services and products, include: timeframe for completion, special qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

**TYPE OF PROCUREMENT REQUESTED (check all that apply)**

**NEW REQUEST**

- Blanket Agreement
- Standard Agreement
- Small Orders

**MOD/AMENDMENT**

- Time Extension
- Vendor Limit Increase
- Scope Change/Price Increase/Additional Line Item(s)
- Other (specify): \_\_\_\_\_

**FORMS:**  Requisition  Special Approvals  Non-Competitive Review Board (NCRB)

**CONTRACT TERM:** Requested Term (number of months): **60 Months**

# DPS PROJECT CHECKLIST

## PRE BID/SUBMITTAL REQUIREMENTS:

Requesting Pre Bid/Submittal Conference?  Yes  No Requesting Site Visit?  Yes  No

## ARCHITECTURAL/ENGINEERING SUPPLEMENTAL CHECKLIST

**Required Attachment:** Scope of Services, including location, description of project, services required, deliverables, and other information as required.

### Risk Management

Will services be performed within 50 feet of CTA train or other railroad property?  Yes  No

Will services be performed on or near a waterway?  Yes  No

**If applicable, Pre-Qualification** Category #: \_\_\_\_\_ Category Description: \_\_\_\_\_

For Pre-Qualification Program, attach list of suggested firms to be solicited

**Other Agency concurrence Required:** None State Federal Other (fill in)

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## AVIATION CONSTRUCTION SUPPLEMENTAL CHECKLIST

DOA sign-off for final design documents:  Yes  No

### Required Attachments:

Copy of Draft Contract Documents and Detailed Specifications.

### Risk Management:

Current Insurance Requirements prepared/approved by Risk Management:  Yes  No

Will work be performed within 50 feet of CTA or ATS structure or property?  Yes  No

Will work be performed airside?  Yes  No

**\*NOTE:** Any non-construction Aviation request, complete the applicable section.

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## COMMODITIES SUPPLEMENTAL CHECKLIST

**Required Attachments:** Detailed Specifications (Scope of Services) including description of the product, delivery location, user department contract, price escalation considerations, Bidder's qualification, contract term and extension options, Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards and Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

**If Modification request,** please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's E-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

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## CONSTRUCTION SUPPLEMENTAL CHECKLIST

### Required attachments:

Copy of Draft (80% Completion), Contract Documents and Detailed Specifications

### Risk Management

Will services be performed within 50 feet of CTA train or other railroad property?  Yes  No

Will services be performed on or near a waterway?  Yes  No

# DPS PROJECT CHECKLIST

## VEHICLES/HEAVY EQUIPMENT SUPPLEMENTAL CHECKLIST

### Required Attachments

- Detailed Specifications including detailed description of the vehicle(s) or equipment, mounted equipment, if any, and options/accessories.
- Special Provisions (delivery, Warranty, Manuals, Training, Additional Unit Purchase Options, Bid Submittal Information, etc.
- Delivery Location(s)
- Technical Literature
- Drawings, if any
- Part Number List (           Manufacturer; or   Dealer;   or Other Source:   )
- Current Price List(s) Catalog(s)
- Special Approval Form
- Exhibits and Attachments

If Modification request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's E-mail Address:

Contractor's Phone Number:

Contractor's Contact Person

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## PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST

- Detailed description of project listing obligations of each party.
- The Schedule of Compensation
- Deliverables
- Request for individual contract services (if applicable)
- The appropriate EPS form
- ITSC (approved by BIS)
- OBM (approved by Budget form/memo)
- Grant Document attached

Attach any documentation indicating any previous purchase activity to assist in the procurement process

## TELECOMMUNICATIONS AND UTILITIES SUPPLEMENTAL CHECKLIST

**Required Attachments:** Detailed Scope of Services/Specification which sets forth all of the anticipated services and products the user department wants provided, including timeframe for completion, specification qualifications of prospective vendors, special requirements or needs of the project, locations, anticipated participating user departments, citation of any applicable City ordinance or state/federal regulation or statute.

Has the project been reviewed by DGS?            Yes    No

Attach copy of DGS Recommendation; Reservation(s); or participate under current contract.

Does the project include software?            Yes    No

If yes, is signed ITSC form attached?        Yes    No

Does the location involve:

A public way?                                    Yes    No

Any concession in the City's facilities?      Yes    No

Is it anticipated City Council approval of the project or contract will be required?

# DPS PROJECT CHECKLIST

## WORK SERVICES/FACILITY MAINTENANCE SUPPLEMENTAL CHECKLIST

**Required Attachments:** Detailed Specifications (Scope of Services) including detailed description of the work, locations (with supporting detailed), user department contacts, work hours/days, laborer/supervisor mix, compensation and price escalation considerations, Bidder's qualification, contract term and extension options, Contractor's qualifications, citation of any applicable City/State/Federal statutes or regulations, citation of any applicable technical standards and Price Lists/Catalogs, technical drawings and other exhibits and attachments as appropriate.

**Risk Management:**

Will services be performed within 50 feet (50') of CTA train or other railroad property?  Yes  No

Will services be performed on or near a waterway?  Yes  No

Will services require the handling of hazardous/bio-waste material?  Yes  No

Will services require the blocking of streets or sidewalks which may affect public safety?  Yes  No

**If Modification or Amendment request**, please verify and provide the following:

Contractor's Name: **ACH Direct, Inc.**

Contractor's Address: **500 W. Bethany – Suite 200**

Contractor's E-mail Address: **leslie.hendrix@achdirect.com**

Contractor's Phone Number: **713-319-0870**

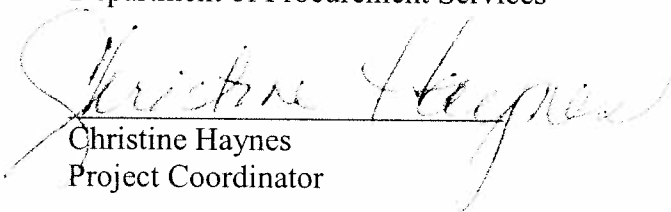
Contractor's Contact Person: **Leslie Hendrix**



**DEPARTMENT OF REVENUE**

**MEMORANDUM**

To: Jacoby Radford  
Department of Procurement Services

From:   
Christine Haynes  
Project Coordinator

Date: May 17, 2007

Subject: **Sole Source Amendment for ACH Direct, Inc.**

Attached is the supporting documentation for sole source justification for an amendment to the check processing contract for ACH Direct, Inc. In addition to the letter you requested explaining why we want to add online checking processing to the contract, we've attached the scope of work from the vendor as well as an M/WBE commitment letter.

We are requesting to be added to the Sole Source schedule for Thursday, May 24<sup>th</sup>, as it is necessary to contract these services as soon as possible.

Thanks for your help in this matter. Should you need additional information, please contact me at 744-9481.

21-11-2007

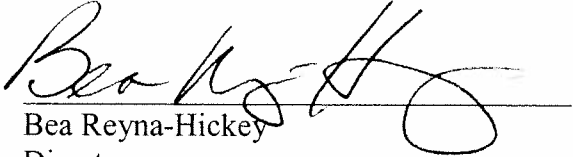




## DEPARTMENT OF REVENUE

# MEMORANDUM

To: Barbara A. Lumpkin  
Chief Procurement Officer  
Department of Procurement Services

From:   
Bea Reyna-Hickey  
Director

Date: May 16, 2007

Subject: **Amendment to Non-Competitive Procurement Contract**  
***ACH Direct, Inc.***  
**RX No. 30493**  
**Spec. No. 51810**

On October 20, 2006, the Department of Revenue (DOR) received approval to enter into a Non-Competitive Procurement contract with ACH Direct, Inc. to provide check processing services for walk-in, telephone, mail-in and kiosk payments. We are requesting to amend the contract to include online check payments. This service was not included in the original sole source request because of DOR's intent to use one vendor, Fifth Third Bank, to process both online credit card and online check payments. However, while working on this solution it was discovered that Cybersource, the City's gateway vendor, would require approximately 880 hours to custom design and build a connection to Fifth Third at a cost of \$200,000, plus ongoing maintenance and upgrade costs, in order to process online check payments. In contrast, ACH Direct already has the payment gateway available for other check payment methods and it will only take the City 50 hours to build the interface.

Attached is a proposal from ACH Direct, Inc. detailing its scope of work, including online check processing. The estimated value of the original sole source contract is \$890,000 for five years. DOR estimates 20,000 online checks per year at an additional cost of \$40,000 over the life of the contract. The cost for all forms of check processing is estimated at \$930,000 over the five year period. Also attached is a letter from ACH Direct, Inc. committing to an increase in M/WBE participation commensurate with the increased value of the contract.

If you need further information, please contact Mark Galvan, Fiscal Administrator, at 757-2254 or Steve Sakai, Contract Coordinator, at 757-3753.

Attachments  
BRH:cmh





May 15, 2007

Via Facsimile 312-744-2303 and U.S. Mail

Ms. Christine Haynes  
Project Coordinator  
City of Chicago  
Department of Revenue  
121 N. LaSalle, Room 107  
Chicago, Illinois 60604

Re: ACH Direct, Inc.'s Revised Proposal

Dear Ms. Haynes:

ACH Direct is pleased to submit a revised proposal for the City's consideration that includes internet check processing, as per your request. In light of the increased contract value, we wanted to reiterate that ACH Direct is committed to purchasing 16.9% of the actual contract value from the designated MBE, JJC Group, and 4.5% of the actual contract value from the WBE, Computer Products & Supplies. We recognize that the percentages are a function of actual contract value, stay the same and thus will be increased as a result of the revised proposal. The new estimated values are:

	Annual	Life of Contract
MBE	\$31,294.72	\$156,473.60
WBE	\$8,332.91	\$41,664.57

Our compliance will be increased commensurate with the increase in the proposal value. Furthermore, we are in the process of procuring revised Schedule Cs from our MBE and WBE vendor and will submit to you upon receipt.

We appreciate your consideration of the additional business.

Sincerely,



Jeffrey J. Thorness  
President/CEO

JJT/skt





City of Chicago  
Scope of Work  
For  
Check Processing Services  
Specification Number: 22215

**Verification Only**

Submitted by  
ACH Direct, Inc.  
500 W. Bethany, Suite 200  
Allen, Texas 75013

Leslie Hendrix  
Vice President – Business Development  
713-319-0870

May 15, 2007

## Exhibits

- 1 Scope of Services
- 2 References
- 3 Check Processing Services and Project Timeline
- 4 Cost Proposal
- 5 MBE/WBE Commitment

## Appendices

- Appendix A – Organizational Chart
- Appendix B – Sample Reports
- Appendix C – Sample Invoice
- Appendix D – Historical Expense Calculations
- Appendix E – References

# Exhibit 1

## Scope of Services

ACH Direct is pleased to propose the use of our proprietary Internet platform for the processing of City of Chicago payments. The City of Chicago can use the Payments Gateway in any of the following ways:

- Going to [www.paymentsgateway.net](http://www.paymentsgateway.net) and logging in to enter transactions, or
- Integrating to the Payments Gateway for in person checks as well as for accepting internet payments. Integration documentation has been provided to the City but can be downloaded at any time from the Payments Gateway by:
  - Going to [www.paymentsgateway.net](http://www.paymentsgateway.net)
  - Registering as a developer
  - Logging in, and
  - Downloading the current version of the Integration Guide.

ACH Direct has been very successful since inception based on the ability to provide custom solutions as needed for our clients. While it is not necessary to build a custom solution according to the specifications provided, we stand ready to customize any components as needed by the City of Chicago.

### **Scope of Services**

ACH Direct is in full compliance with the EFTA as well as all applicable state and federal laws, rules and regulations.

1a. Check Processing Services - ACH Direct provides check authorization services and electronic check conversion services.

The Payments Gateway is a high capacity modular payment-processing platform that has been designed for maximum flexibility and availability. This proven third generation design supports electronic check transaction processing in either real-time or batch mode. Supported transaction types and services are selected by the City according to their business needs.

The modular nature of the system allows clients to select from our suite of optional check services according to the client's business needs:

- ATMVerify
- NCN
- ACH Conversion (POP, TEL, ARC, WEB)

- Internet transactions (WEB)
- NSF Check Recovery with rebates paid to the City

#### **ATMVerify**

ATMVerify is an online, real time check verification product that covers in excess of 50% of the checking accounts in the United States. Coverage will increase to 90% in May of 2007. The City would send ACH Direct the routing and transit number, account number and amount. That information would be used to verify the account status as of open of business that day, and whether or not the account has a positive balance and is in good standing. The balance in the account is not validated and funds are not held. The City will receive an approval or denial.

#### **NCN**

NCN is an online national positive and negative database of checking accounts. The City would send ACH Direct the routing and transit number, account number and amount. That information would be used to verify the validity of the account and whether there are outstanding unpaid checks on the account. The City will receive an approval or denial.

#### **ACH Conversion**

The ACH Direct Payments Gateway can process ACH transactions from any number of sources, including but not limited to:

- The Point-of-Sale (POP)
- IVRU Payments (TEL)
- Kiosk Payment (ARC)
- Internet (WEB)

#### **Rejected Item Fees**

Rejected item fees are charged for ACH transactions that are returned unpaid.

#### **NSF Check Rebate**

The City will be paid an NSF Check Rebate for NSF checks that are returned to the City unpaid, when ACH Direct subsequently recovers the face value, which is paid to the City in full, and an NSF fee.

#### **Check Verification Volumes**

Annual Volume 5,244,801  
Monthly Volume 437,066  
Weekly Volume 100,861  
Daily Volume 14,408

**Positive Database Size**

Presently, our positive database contains 275 million accounts.

**Negative Database Size**

Our negative database is comprised of 28 million accounts.

- 1b. ACH Direct supports check authorization by IVRU.
- 1c. ACH Direct can verify kiosk payments by check.
2. ACH Direct can provide and install check processing through a stand alone system. The modular nature of the ACH Direct system allows for future integration into the City system.
- 3a. ACH Direct can capture for each check:
  - Dollar amount of check
  - Date and Time paid
  - Location Paid at
  - Terminal/Workstation Paid at
  - Verification Number
- 4a. ACH Direct can provide electronic check processing:
  - 24 hours per day
  - 7 days per week
  - 5 second response time
  - System downtime of less than .2% in any month
- 4b. ACH Direct will transmit all payment data for processed checks by phone payments electronically to the City.
- 4c. ACH Direct will transmit all payment data for processed checks at kiosks electronically to the City.
5. The standard reporting process provides maximum flexibility to our clients but can also be customized as needed to suit the City's needs. Our online browser-based reporting services provide the essential monitoring tools to allow management to monitor activity as it occurs.
- 5a. ACH Direct will provide monthly check payment transaction reports listing the check by phone and Kiosk check payments. This information can be pulled via our online reporting 24 hours per day, 7 days per week, by City personnel. Reports can be produced daily, monthly, quarterly, etc.

5b. ACH Direct will provide ad hoc reports upon request at \$100 each. This should not be necessary given the flexibility of the reporting system but that option is available if needed.

5c. ACH Direct will make best efforts to provide all requested reports within 24 hours of electronic request. The 24 hour time frame cannot be guaranteed for ad hoc reporting.

5d. ACH Direct will provide a monthly detailed analysis of all fees charged to the City.

5e. ACH Direct will maintain an audit trail of all check transactions that have occurred the past three years and said audit trail will be available for review or audit upon request.

6. ACH Direct will process return items using our proprietary PG3 system for electronic returns.

7. ACH Direct, Inc. will provide the City with 24 x 7 Customer Service support. After hours support is by pager, cell phone or special phone number.

8. ACH Direct, Inc. will provide the City with 24 x 7 system and equipment support. After hours support is by pager, cell phone or special phone number.

9. ACH Direct will provide software updates as needed.

10. ACH Direct will upgrade the City's check readers to support software upgrades.

11. ACH Direct will provide on site equipment training.

12. ACH Direct maintains a positive and negative database with real time system updates to support check processing.

13. Technical Support and Training

13a. ACH Direct will provide training to the City users on operation of the new check readers as well as our software during initial implementation.

13b. ACH Direct will provide training for additional users. Additionally, ACH Direct will provide equipment as needed for new users and have new users fully operational within 15 business days from the City's request.

13c. ACH Direct will make best efforts to resolve reported problems within 24 hours.

14. ACH Direct will expand the system as needed to additional sites or City departments.

### **Compensation and Deposits**

1. ACH Direct will invoice the City for check processing services contracted for:

- Walk in payments
- Telephone payments
- Mail in payments
- Kiosk payments

- Internet payments
2. ACH Direct will make funds available to the City on the Banking Business Day following the transaction date for transactions prior to 5 pm Central. Such funds will be deposited to a designated depository as directed by the City Treasurer, ensuring the City meets the deposit deadline to earn interest for that day.
  3. ACH Direct will make the gross amount of funds available to the City without fees or other charges.
  4. ACH Direct will reimburse the City for any lost interest when deposits are not made on the day after the transaction at the average Federal Funds rate for the period during which the funds were not deposited.
  5. ACH Direct will provide invoicing according to the City specifications including providing transaction activity by location, detailing service fees, equipment charges, etc.
  6. ACH Direct will be liable to the City for all funds collected until received by the City.

### **Service Standard Guarantees**

- 1a. ACH Direct will enable an unlimited number of users to process simultaneous check transactions.
- 1b. ACH Direct will enable online check processing 24 x 7 x 365 days per year (366 in a leap year).
- 1c. ACH Direct will return authorization numbers or decline reasons to the City within 6 seconds of the request 98% of the time.
- 1d. ACH Direct will ensure the system is not down more than .2% of the time.
- 1e. ACH Direct will provide check verification acceptance or decline reason codes to the City within 6 seconds of the request 98% of the time.
- 2a. ACH Direct will provide detailed transaction data as needed for any City transaction that occurred within the last three years.
- 2b. All reports will be delivered to the City within 24 hours of the request.

### **Appendix A I – City Overview**

The Appendix was used for the cost proposal presented as Exhibit 4.

## **Exhibit 2 References**

References can be found in Appendix E.



## **Exhibit 3**

### **Check Processing Services and Project Timeline**

- A. Organizational Chart - The organizational chart can be found in Appendix A.
- B. Procedures for Transactions and Processing Functions
- The process is basically the same regardless of whether the City is running an ACH conversion transaction or a verification transaction. They log in to the system, go to the add transaction function, swipe the check, fill in the necessary information and receive a response code that tells them whether:
- They can accept the check
  - They can convert the check to ACH
  - Whether to deny the check and why.
- C. Collection Reports
- Sample reports can be found in Appendix B.
- D. Intentionally Left Blank as per RFQ
- E. End User Training
- ACH Direct will provide end user training:
- At contract initiation and roll-out;
  - As the City has personnel turnover; and,
  - When the City expands payment capabilities.
- There is no additional cost to the City for the training.
- F. City Staffing and Equipment
- The City must provide a PC for each of the 67 employees accepting check payments as per Attachment A. The City staff must participate in training to include software and equipment training, which would be done at the same time.
- G. Ongoing Support Services
- ACH Direct will provide ongoing training and support as needed. To report equipment or other issues, the City would call ACH Direct Customer Service at 469-675-9920 Option 2.

## Project Timeline

Revised Scope of Work Submitted	April 25, 2007
Approval	April 26, 2007
Signed Contract	June 1, 2007
Roll-out Complete	July 1, 2007*

\* Assumes contract signed by June 1, 2007.

**Exhibit 4**  
**Cost Proposal – ACH Conversion with**  
**Verification Only**

**What is the proposed rate for the City of Chicago?**

ACH Direct packages payment products in a cafeteria fashion so clients can pick and choose which payments suit their business needs. Our per transaction pricing is as follows:

ATMVerify	\$.30/transaction
NCN	\$.10/transaction
ACH	\$.10/transaction
Rejected Item Fee	\$2/rejected item
RCK Fee Rebate	20% of collected fee

Approximately 50% of the City's verification transactions would participate in ATMVerify and the rest would go to NCN. All quotes below assume a 50/50 split for verification, which is our present experiential rate on a national basis.

The City may elect to convert paper checks to ACH transactions or not. The numbers below assume that the City wants to verify and convert to electronic transactions

**For what activities or transactions will the City be charged the transaction fee?**

The City will be charged the transaction fee for all participating transactions sent to ACH Direct. See the sample invoice in Appendix C.

**What are all the component or itemized areas of an invoice to the City? Please submit a sample invoice.**

The City will be billed for those services that they sign up for. The bills are itemized by service and applicable transaction volume for that service. Please see the sample invoice in Appendix C.

**If the City has our proposed contract last year, given the historical information provided, what would the City have incurred in fees? Please provide a dollar figure.**

Using the 2005 data and assuming that the City participated in ATMVerify, NCN, ACH and RCK (Collection of NSF items), the City would have paid \$177,175.86 for check services exclusive of terminal cost. See Appendix D for the expense breakdown.

**Equipment and Support**

<u>Manufacturer</u>	<u>Model</u>	<u>Description</u>	<u>Cost/Unit</u>	<u>Cost for 67</u>
Magtek	Model #22410003	Mini MICR Reader/Imager	\$400.00	\$26,800.00

\* Note: Due to the low unit cost, maintenance is not recommended.

Model #22410003

Warranty Period	1 Year			
Physical Size	6.19" long 4" wide 4.38" tall			
Electrical Req	110			
Facility Req	Space for unit			
Telephone Req	Internet via PC			
Temperature Req	76 degrees F			
Other Req	None			
Supplies Req	PC provided by City			
Quantity Bid	67			
QX	PC provided by the City with either an RS-232 port, an Ethernet port or a USB port			
Volume to Reduce Price	N/A	N/A		

**Scenario I: Summary of Equipment Costs**

<u>Equipment or Item</u>	<u>Cost</u>	<u>Monthly Maintenance</u>
Terminal		

Model #2241005	\$400.00	Not Recommended
Total Equipment Cost	\$26,800	For 67 units

**Question**

Can the City of Chicago accurately assume that the costs listed above reflect the comprehensive costs for getting a user (with no existing equipment) operational? If not, please specify any and all additional costs.

The pricing provided assumes that each user already has a PC provided by the City. Otherwise, price is all-inclusive.

What is the overall training cost the City will incur? \$0

What is the cost for continued training and resources beyond the initial training of City personnel? \$0

## **Exhibit 5**

### **MBE/WBE Commitment**

ACH Direct, Inc. has worked very hard to find a MBE or WBE company to provide the equipment that is quoted herein as well as verification information, but we have been unsuccessful in locating firms that are MBE or WBE. Input from the City of Chicago regarding certified MBE and WBE businesses would be most welcome.

**Appendix A**  
**Organizational Chart**

**Appendix B**  
**Sample Reports**



**Appendix C**  
**Sample Invoice**

**Appendix D**  
**Historical Expense Calculations – In Person Checks**

**2005**

Historical Check Volume	568998
\$ Amount	\$1,196,898,863
Number Returned	4816
Amount Returned	\$3,052,199
Number Returns Paid	1,401
Amount Returns Paid	\$769,788
Amount Outstanding	\$2,282,411.23
Electronification	\$56,899.80
Rejected Item Fee	\$11,379.96
Total Electronification	\$68,279.76
Verification	
-ATMVerify	\$85,349.70
-NCN	\$28,449.90
Total Verification	\$113,799.60
Return items	(\$4,903.50)
<b>Total for all Services</b>	<b>177,175.86</b>

**Appendix D**  
**Historical Expense Calculations – Internet Checks**

2007

Historical Check Volume	20000
\$ Amount	\$11,876,655
Electronification	\$2,000.00
Rejected Item Fee	\$400.00
Total Electronification	\$2,400.00
Verification	
-ATMVerify	\$5,400.00
-NCN	\$200.00
Total Verification	\$5,600.00
<b>Total for all Services</b>	<b>8,000.00</b>



## Appendix E

### References

1. McHenry County Circuit Clerk  
Court Payable Matters  
2200 North Seminary Ave  
Woodstock, Illinois 60098  
Vernon W. Kays, Jr.  
815-334-4190
2. Lake County Treasurer  
Real Estate Taxes  
18 North County St, Room 102  
Waukegan, Illinois 60085  
Robert Skidmore  
847-377-2323  
Contract Start Date: April 12, 2002
3. Edgar County Treasurer  
Real Estate Taxes  
111 N. Central St.  
Paris, Illinois 61944  
Linda Lane  
217-466-7446
4. Champaign County Treasurer  
Real Estate Taxes  
1776 East Washington  
Urbana, Illinois 61802  
Daniel J. Welch  
217-384-3743
5. City of Charleston  
Water Bills  
520 Jackson Ave  
Charleston, Illinois 61920  
M. Sue Bennett  
217-345-2484

Additional references available upon request.