

COUNCIL CONTRACT SUMMARY

Pursuant to Section 202(c) of the Procurement Practices Reform Act of 2010, as amended; D.C. Official Code §2-352.02(c), the following contract summary is provided.

(1) The proposed contractor, contract amount, unit and method of compensation, contract term, type of contract and source selection method:

- **Prime Contractor:** Paymentech LLC
- **Contract Amount:** The proposed contract amount for the base period is Not to Exceed \$15,000,000.00. The proposed amount for each option period is as follows: Option Period One is Not to Exceed \$10,000,000.00, Option Period Two is Not to Exceed \$10,000,000.00, Option Period Three is Not to Exceed \$10,000,000.00, Option Period Four is Not to Exceed \$10,000,000.00, Option Period Five is Not to Exceed \$10,000,000.00. The contract amount for one or more of the option periods differs from the contract amount for the base period because the period of performance for the Base Period is for three years while the period of performance for the Option Periods are for two years.
- **Unit and method of compensation:** United States Dollars (USD) in accordance with Section B, Pricing, of the contract.
- **Contract Term:** The contract has a base period of three (3) years with five (5), two (2) year options.
- **Contract Type:** This is a Requirements contract.
- **Source Selection Method:** Competitive Sealed Proposals

(2) The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:

The purpose of this contract is to allow Paymentech LLC to provide merchant card holder present and cardholder not present processing services to allow the District to process payments and facilitate paperless revenue collection to the Office of Finance and Treasury as well as ensure that the District is EMV compliant.

The deliverables are approved by the COTR in accordance with Sections B and C of the contract.

(3) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past-performance components:

This was a competitively bid procurement. There were four (4) proposals submitted in response to the solicitation. One was non responsive and the remaining three companies were found to be responsive. All three were determined to be in the competitive range. The Technical Proposal was worth 70 points; and the Pricing Proposal was worth 30 points for a total of 100 points. The proposals were evaluated based on approach and plan, experience, qualifications of personnel, company profile and stability, financial capability, response to functional requirements, technology, and other requirements, and price. Paymentech LLC received the highest score.

- (3A) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District, and the identity of the protestor, grounds alleged in the protest and any deficiencies identified by the District as a result of the protest:**

The contract is pending award upon Council approval. At this time no protests have been filed.

- (4) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private-sector contracts with requirements similar to those of the proposed contract:**

Paymentech LLC has been a leading processor in the electronic payments industry since 1985 and at the forefront of the merchant acquiring market. Paymentech LLC is known in the industry as a global leader in payment processing and merchant acquiring, authorizing in more than 120 currencies. On the Internet or at the point of sale, Paymentech LLC's unique combination of outstanding service, innovative solutions and financial strength offers solid benefits to organizations both large and small. Paymentech LLC offers the District support services and a global presence in 50 countries and territories. Paymentech LLC possesses the unique ability to provide the District a holistic approach to commerce through our wide range of products and services, with a depth of customization that is unmatched. Paymentech LLC is able to provide unique, industry-leading solutions that drive commerce in the U.S. Paymentech LLC's personnel performing on this contract have been approved by the District. Paymentech LLC has demonstrated financial stability and has received good rates for past performance by the District.

- (4A) A summary of the subcontracting plan required under D.C. Code § 2-218.01 et seq., including a certification by the District that the subcontracting plan meets the minimum requirements and the dollar volume of the portion of the contract to be subcontracted, in both total dollars and as a percentage of the total contract amount:**

A waiver of the subcontracting requirement for the base period was approved by DSLBD. The waiver approval letter of the subcontracting requirement is included in this Council package.

- (5) Performance standards and expected outcomes of the proposed contract:**

The contract shall be performed as defined in Section C of the contract.

- (5A) The amount and date of any expenditure of funds by the District pursuant to the contract before its submission to the Council for approval:**

There have been no expenditures to date.

- (6) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:**

The funding certification is included in this Council package.

- (7) A certification that the proposed contract is legally sufficient, including whether the proposed contractor has any currently pending legal claims against the District:**

Legal Sufficiency is provided in this Council package.

- (8) A certification that the Citywide Clean Hands Database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding amount pursuant to D.C. Official Code §2-353.01(9).**

The Clean Hands compliance document is included in this Council package.

- (8A) A certification that the proposed contract that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:**

The Bidder Offeror Certification is included in the Council package.

- (9) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise, as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 *et seq.*):**

Paymentech LLC is not a Certified Business Enterprise (CBE). DSLBD granted a full waiver of the subcontracting requirement for the Base Period of the contract.

- (10) Other aspects of the proposed contract that the CPO considers significant:**

The contract amount noted in the determination and findings (D&F) for price reasonableness is significantly higher than the estimated contract amount noted in the other D&F's (Use of Competitive Sealed Proposals, Multiyear Contract, and Contract Exceeding Five Years). This is primarily because the price reasonableness D&F was completed at the end of a lengthy procurement process and the other D&F's were completed during the pre-solicitation phase based on an independent government estimate (IGE). In November 2014, the Office of Finance and Treasury (OFT) provided the OCFO, Office of Contracts an IGE of approximately \$5.2 million dollars for the proposed three-year base period based on the information available at that time.

After the IGE and the pre-solicitation D&F's were prepared, the solicitation was modified to add the Europay, Mastercard and Visa (EMV) requirement to ensure compliance with the upcoming changes within the industry, which had unanticipated cost implications. Further, the estimated quantity of transactions in the proposed contract is significantly higher than originally anticipated in the solicitation, with the future expectation of adding additional District agencies. Notwithstanding the IGE from 2014, the Contracting Officer has determined that the proposed not to exceed contract price of \$15M is fair and reasonable and in the best interest of the District.

- (11) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:**

Paymentech LLC does not appear on the Federal Excluded Parties List System (EPLS) or the District Excluded Parties List.

- (11A) Any determination and findings issued in relation to the contract's formation, including any made using the privatization procedures under D.C. Code § 2-352.05:**

All determination and findings issued in relation to the contract formation are included in this package.

- (12) Where the contract, and any amendments or modifications, if executed, will be made available online:**

The contract and all amendments and modifications shall be available online at the following website address: <https://sites.google.com/a/dc.gov/ocfo-procurements>

- (13) Where the original solicitation, and any amendments and modifications will be made available online:**

The original solicitation and any amendments and modification shall be available online at the following website address: <https://sites.google.com/a/dc.gov/ocfo-procurements>



Dorothy Whisler Fortune, Esq. CPPO
Director
Office of Contracts