



State of Oklahoma
Office of Management and
Enterprise Services/Central
Purchasing ISD Procurement

RFP #5850000475

Oklahoma State Office of Management and Enterprise
Services/ Information Services Division- Contract award – On behalf of The State Of
Oklahoma Department of Public Safety (DPS).

CONTRAT AGREEMENT

Between

THE STATE OF OKLAHOMA

Department of Public Safety (DPS)

And

ERAD Group, Inc.

**State of Oklahoma RFP #5850000475
Contract Award**

The Contract Agreement incorporating; Contract award documents; Addendum 1; Attachment A, B, & C; the Solicitation including any amendments; Binder 1; and ERAD Group, Inc. RFP proposal and cost proposal.

The contract will be administered by the State of Oklahoma Office of Management and Enterprises Services (OMES).

The Chief Information Officer (CIO) is the only person authorized to approve changes or modify any of the requirements contained elsewhere in this contract; the said authority remains solely in the CIO. In the event the contractor effects any such change at the direction of any other person other than the CIO, the change will be considered to have been made without authority and no adjustment will be made in the contract costs to cover any increase incurred as a result thereof.

Addendum 1

to

Contract Resulting from Solicitation #5850000475

This Addendum 1 ("Addendum") is a Contract Document in connection with the Contract issued as a result of Solicitation No. 5850000475 ("Solicitation") and entered into between ERAD Group, Inc ("EGI") and the State of Oklahoma by and through the Office of Management and Enterprise Services on behalf of Oklahoma Department of Public Safety ("Agency"). Effective April 1, 2016.

1. The parties agree that Section A.45 of the Solicitation, titled Ownership, is hereby deleted in its entirety.
2. The parties further agree that the Master Agreement, Prepaid Rider, and Designation Letter, including any exhibits, attached hereto and incorporated herein as Attachment A, B, and C respectively, supersede and replace in entirety the Master Agreement and Prepaid Rider, including any exhibits, and Schedule F Price and Cost, originally included in EGI's response to the Solicitation. Likewise, all exceptions to the Solicitation included in EGI's response are superseded and replaced in entirety by this Addendum.


State of Oklahoma

By:

Name:

Title:

Date:



Matt Singleton

C.O.O.

4/6/16


ERAD Group, Inc.

By:

Name:

Title:

Date:



T. Jack Williams

President

3 April 2016

**MASTER AGREEMENT**

By this Master Agreement ("Agreement"), ERAD Group, Inc. (EGI) and State of Oklahoma by and through the Office of Management and Enterprise Services on behalf of Oklahoma Department of Public Safety ("Agency") agree as follows:

1. **Introduction.** Agency retains EGI to provide the product, software and/or services (each a "Product") described in fully executed riders to this Agreement (collectively, "Riders" and individually a "Rider"). All terms and conditions in the Solicitation are incorporated in their entirety.

2. **Term.** This Agreement is effective as of April 1, 2016 and shall remain in effect until all Riders are terminated. As stated in Section B.1. of the Solicitation the initial contract period shall begin on the effective date and shall extend through One (1) Year (the Initial Term") unless renewed, extended, or terminated in accordance with applicable contract provisions. Under Oklahoma law, the State may not contract for a period longer than one (1) year. By mutual consent of the parties hereto, it is intended that there shall be four (4) options to renew, subject to the terms and conditions set forth herein, each for duration of one (1) year.

3. **Fees.**

3.1 Agency shall pay EGI the fees as established in Riders. All other fees shall be invoiced by EGI monthly. All fees are exclusive of non-standard telecommunications, hardware, software, and equipment.

3.2 In addition, EGI may increase other fees, upon mutual agreement, on thirty (30) days or more advanced written notice, after the initial term of a Rider has expired.

3.3 As applicable, both parties shall comply with applicable Oklahoma law with respect to invoicing and making payments hereunder. Payments for goods and services are generally due thirty (30) days after receipt of a proper invoice; provided, however, EGI acknowledges and agrees that payment received in accordance with applicable Oklahoma law allowing forty-five (45) days to pay shall not constitute default hereunder nor entitle EGI to late payment fees or interest. Any applicable late fees or interest incurred after forty-five (45) days of nonpayment shall be paid only in accordance with Oklahoma law. Payment made under the Contract shall not foreclose the right to recover wrongful payments. Agency shall provide EGI with written notice of any change in its Operating Account within three (3) days of the change. In the event EGI does not collect any amounts due via electronic transfer, Agency shall make payment directly to EGI immediately upon invoice. Fees payable under this Agreement are not subject to reduction or set-off of any kind for any reason.

4. **Products.**

4.1 EGI shall: (i) provide Agency with access to and use of a Product in accordance with EGI's most current documentation and manuals for that Product (collectively, "Specifications") so long as Agency timely pays all applicable fees; (ii) provide Agency with standard reporting, if any, associated with Product usage; and (iii) provide each Product in accordance with all laws and rules applicable to EGI as a provider of those Products.

4.2 Agency shall: (i) comply with all laws and rules associated with its use of a Product, including those that relate to error resolution; (ii) provide any reasonable information, data or documents necessary for EGI to provide a Product (collectively, "Data") in accordance with the corresponding Specifications; (iii) not attempt to gain unauthorized access to any system or network operated by, or on behalf of, EGI; (iv) utilize and access each Product solely in accordance with this Agreement and the applicable Rider and Specifications; (v) use each Product solely for its own internal business purposes; (vi) perform testing and provide reports on the results of Product usage as reasonably requested by EGI; (vii) verify the results of all output and results achieved through use of a Product prior to relying on those results for any business purpose; (viii) cooperate and assist in the identification of any unauthorized use of a Product and the detection of security violations;

4.3 EGI may modify Products from time to time so long as those changes do not result in a material reduction in quality or functional ability and do not prevent EGI from meeting its obligations to Agency. If Agency requests a change in a Product that requires EGI to modify its hardware or software, hire additional staff or results in additional expense to EGI, then the parties shall negotiate whether and upon what terms the requested change will be made. No agreement to make a change in a Product shall be effective unless committed to in writing and signed by both parties.

5. **Data Transmission, Security and Contingency Planning.**

5.1 Agency shall be solely responsible for Data transmitted by Agency, and shall bear any risk of loss resulting from such transmission. In the case of electronic transmission, Data will not be deemed received until receipt is actually confirmed by EGI. If Agency directs EGI to provide Data to a third party, Agency shall provide

EGI with written authorization to do so and bear all risk of loss and liability associated with such transmission or access as long as EGI acts in accordance with such written authorization. In addition, EGI shall be held harmless from any claims resulting from the third party's access or use of the Data, and may, in its discretion, require the third party to enter into a written agreement with EGI concerning that access or use.

5.2 Agency acknowledges the inherent risks associated with conducting business over a public medium like telephone lines, wireless networks and the internet. EGI will use reasonable commercial efforts to protect the security of Data transmitted by Agency, but does not guarantee the ultimate security of that Data.

6. **Limited Warranty.** If there is a material failure of any Product to substantially comply with EGI's most current and applicable Specifications for that Product ("Defect") EGI shall, at its election either: (i) repair or replace the Product so that it conforms to the corresponding Specifications; or (ii) terminate this Agreement and refund any pre-paid fees pertaining to that Product for the time period following the Defect.

7. **Disclaimer.** Under no circumstances shall EGI be liable for a Defect or any loss, claim, demand, penalty, action, cause of action, suit, obligation, liability, damage, delay, cost, expense or attorney's fees, (collectively "Losses"), to the extent caused by: (i) Agency; (ii) abuse, misuse, alteration or use of a Product by Agency outside of EGI's most current Specifications; (iii) incorrect or incomplete Data; (iv) software, hardware or systems not supplied by EGI; or (v) any other failure not directly attributable to EGI. **EXCEPT AS SPECIFICALLY STATED IN THIS AGREEMENT, AND ALL WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF QUALITY, FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY.**

8. **Third Party Services.** As an accommodation to Agency, EGI may permit access to or interconnection with a product or service provided by a third party (each, a "Third Party Service"). Third Party Services are not provided by EGI, and Agency may be required to enter into independent agreements for those products directly with the third party provider. As a result, Agency releases and forever discharges EGI from any liability whatsoever associated with, or arising out of, any Third Party Service. However, EGI may, if so indicated in a Rider: (i) bill Agency for use of a Third Party Service; and/or (ii) collect amounts owed in connection with a Third Party Service.

9. **Employee Skills.** Agency is ultimately responsible for the successful operation of all Products. Consequently, Agency must employ individuals with sufficient experience and technical expertise to properly operate and maintain Products. Agency shall be solely

responsible for ensuring that its employees and other representatives comply with all rules and procedures set forth in any training manual or other document, guide or literature available from EGI, including those that pertain to participation in an electronic funds network or card association.

10. **Marketing.** EGI has marketed and will continue to market the Products, as well as products and services that may be similar to those offered to Agency, to multiple Agencies.

11. **Intellectual Property.** Agency is not acquiring any copyright, trade secret, patent or other intellectual property right in the Products, or in any related data, software, design, code, program or other item provided or owned by EGI, and EGI shall own all such rights exclusively. Agency shall not alter, obscure or revise any proprietary, restrictive, trademark or copyright notice included with, or affixed or displayed by a Product.

12. **Indemnification.**

12.1 To the extent provided by law, EGI shall indemnify, defend and hold harmless Agency, and its officers, employees, directors and shareholders, in their individual capacities or otherwise, from and against any and all Losses associated with third party claims arising out of: (i) EGI's negligence or willful misconduct resulting in personal injury or property damage; (ii) EGI's failure to comply with laws or rules applicable to third party providers of the Product; or (iii) any claim that a Product infringes a registered U.S. patent or copyright. However, EGI shall have no liability for an infringement claim to extent it results, in whole or in part, from: (a) use of a Product in combination with computer programs or services owned or licensed by someone other than EGI; or (b) Agency's failure to implement corrections or changes offered by EGI. If a claim of infringement of a registered U.S. patent or copyright has been asserted, or in EGI's opinion is about to be asserted, EGI may, at its option either: (1) procure for Agency the right to continue using the Product; (2) replace or modify the Product so that it becomes non-infringing; (3) terminate the applicable Rider and refund all fees paid for future use of the Product; or (4) fight such action and pay any costs, damages or settlements finally paid by Agency, provided those expenditures were pre-approved by EGI.

12.2 When a State agency is a named defendant in any lawsuit, the defense of the State agency shall be coordinated by the Attorney General of Oklahoma, or the Attorney General of Oklahoma may authorize the Vendor to control the defense and any related settlement negotiations; provided, however, Vendor shall not agree to any settlement of claims against the State without advance written concurrence from the State Attorney General. If the Attorney General of Oklahoma does not

authorize sole control of the defense and settlement negotiations to Vendor, Vendor shall be granted authorization to equally participate in any proceeding related to this section but Vendor shall remain responsible to indemnify the State.

13. **Limitation of Liability.** EGI' total liability is limited in all cases, in the aggregate, to the amount of fees actually paid by Agency for the corresponding Product during the twelve (12) months preceding the first such claim. Neither party shall be liable for any indirect, incidental, consequential, special, delay or punitive damages whatsoever (including any damages for loss of business profits, business interruption, loss of information or other pecuniary loss) arising out of this Agreement, even if advised of the possibility of such damage.

14. **Miscellaneous.**

14.1 Neither party shall have waived its rights under this Agreement absent a specific writing to that effect signed by the party to be charged. No waiver of a breach shall constitute a waiver of any prior or subsequent breach.

14.2 Either party shall be temporarily excused from performance to the extent delayed as a result of unforeseen causes beyond its reasonable control including fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority provided the party experiencing the force majeure event has prudently and promptly acted to take any and all steps within the party's control to ensure continued performance and to shorten duration of the event. In the event that a party's performance of its obligations is materially hindered as a result of a force majeure event, such party shall promptly notify the other party of its best reasonable assessment of the nature and duration of the force majeure event and steps it is taking, and plans take,

to mitigate the effects of the force majeure event. The party shall use commercially reasonable best efforts to continue performance to the extent possible during such event and resume full performance as soon as reasonably practicable. Subject to the conditions set forth above, such non-performance shall not be deemed a default. However, a Customer may terminate a purchase order if Vendor cannot cause delivery of Products or Services in a timely manner to meet the business needs of the Customer.

14.3 The headings that appear in this Agreement are inserted for convenience only and do not limit or extend its scope.

14.4 Each party, and each person signing on behalf of a party, represents and warrants that it has full legal authority to enter into and perform the obligations of this Agreement without any additional consent or approval.

14.5 If there is a conflict between this Agreement and any present or future law, the part of this Agreement that is affected shall be curtailed only to the extent necessary to bring it within the requirements of that law.

14.6 All notices given in connection with this Agreement must be in writing and shall be deemed received forty-eight (48) hours after deposit in the mail, postage prepaid, or if given by other means, upon actual receipt. Notices shall be delivered to the appropriate party at its address set forth in this Agreement, or, in the alternative, in the case of notices to Agency, the same address as invoices.

14.7 Except as otherwise indicated, this Agreement may only be modified by written agreement of the parties. Sections 3, 7, 11, 12 and 13, shall survive any termination of this Agreement.

The State of Oklahoma by and through The Office of Management and Enterprise Services

ERAD Group, Inc.
5228 Davis Blvd, Suite 134-343
Fort Worth, TX 76182
Tel: (817) 576-3655
Fax: (727) 498-2984

Signature Date

James L. Reese, II, Chief Information Officer



Signature Date 4 Apr. 2016

T. Jack Williams, President



ERAD-PREPAID™ RIDER TO MASTER AGREEMENT

This ERAD-PREPAID Rider ("Rider") is made pursuant to, and is a part of, the Master Agreement ("Agreement") between ERAD Group, Inc. ("EGI") and State of Oklahoma by and through Office of Management and Enterprise Services on behalf of Oklahoma Department of Public Safety ("Agency") dated the 28th day of March, 2016.

1. **Introduction.** Upon establishing legal authority Agency may use EGI's ERAD-PREPAID software ("Product") to access the client processing service ("Client Processing Service") on Agency's own terminals and card readers provided to Agency by EGI ["Card Readers"] which Card Readers will be connected to Agency's terminals. Other necessary applications and services described under the "Required" portion in Exhibit "B-2" to this Rider will also be provided by EGI to Agency. Said Product and Card Readers, through Agency's terminals, shall connect to the EGI's web based service, and said Product, Card Readers, other necessary applications and services, and access to EGI's web-based service (collectively, the "Payment Processing Service" or "PPS") shall be provided to Agency in order for Agency to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices; and (ii) freeze and seize funds on prepaid access cards and other prepaid access devices for subsequent deposit to an authorized depository account owned and controlled by Agency. Said Product shall be transferred to Agency according to the applicable terms set out in the attached Exhibits, and the Card Readers shall be owned by Agency, but serviced by EGI pursuant to Exhibit "B-2". The exercise by Agency of any option defined in the attached Exhibits will be honored by EGI as set forth in the attached Exhibits.

2. **Term.** This Rider is effective as of the date of the Agreement ("Rider Effective Date"), and shall remain in effect for one year from the Contract effective date. The Rider shall be renewable upon mutual agreement of the Parties in additional one (1) year increments or as otherwise specified in the solicitation.

3. **Fees.** In addition to any applicable fees set forth in the attached Exhibits, Agency shall pay EGI the following fees:

Implementation Fee

A one time charge of \$5,000.00 for the implementation of the PPS and all of its components.

Balance Inquiry and Freeze Fee

\$0.00 per balance inquiry transaction processed using the PPS or any of its components.

\$0.00 per freeze transaction processed using the PPS or any of its components.

Processing Fee

Seven and seven-tenths (7.7%) percent of the total dollar amount forfeited, during the term of this contract, using the Payment Processing Service. Each month, and concerning each separate seizure, EGI will invoice Agency the Processing Fee computed on the forfeiture ordered in a final non-appealable determination by a court of competent jurisdiction that has adjudicated the case which gave rise to the seizure. Agency shall only be responsible for paying Processing Fees in the amount set out in a final non-appealable forfeiture order.

EGI Pass-Through Fees

EGI must pay for all Pass-Through Fees it incurs within the scope of this Contract. EGI is not responsible for any fraudulent transaction incident to the use of said cards to which transaction EGI is not a party.

4. **Payment Processing Service.** Agency shall use the Product with the Card Readers as described in Exhibit B in conjunction with Agency's terminals to access EGI's web-based service. There is no Third Party Service provided by EGI as defined in the Agreement. Agency's terminals are provided by Agency and the support and maintenance of which is Agency's responsibility.

5. **License.**

5.1 Agency shall utilize the Product and Card Readers as provided by EGI on the Agency's Terminals and EGI's website In accordance with the instructions and specifications provided by EGI. Accordingly, and subject to full payment of all applicable fees when due, Agency is granted a limited, non-exclusive, nontransferable license to use the Product to access EGI's web site portion of the PPS solely to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices confiscated from criminal suspects; and (ii) freeze or seize funds associated with prepaid access cards and other prepaid access devices confiscated from criminal suspects. In no event shall Agency use the Product for any credit or debit related purchases. Agency shall have accepted the Product or Card Reader if Agency fails to give EGI written notice of any such material failure within a thirty (30) day period from its implementation or use. EGI shall periodically provide access at no additional cost to the Agency to releases for Agency's installation that update Product to the most current level maintained by EGI. Agency must always maintain Product at the most current release level. EGI shall have no liability for any loss, claim, demand, penalty, action, cause of action, suit, obligation, liability, damage, delay, cost, expense or attorney's fees, (collectively "Losses") arising out of Agency's failure to maintain Product at the most current release level.

5.2 Agency shall keep the Product free and clear of any claim, lien or encumbrance, and any attempt to create a claim, lien or encumbrance on the Product shall be void from its inception. Agency shall be responsible for safeguarding the Product, and shall immediately notify EGI of any unauthorized possession or use.

5.3 EGI may, at its option, enhance Product functionality, utility or efficiency by producing new versions. EGI shall notify Agency of the terms and conditions, including additional charges, if any, required to license and/or maintain such new versions. Any modifications, revisions, deletions or additions to the Product shall be owned exclusively by EGI. Agency may terminate the Agreement at no cost to Agency in the event it elects not to use any such new version or be bound by any such new term, condition or cost incident to any new version, if the then current version and its latest release ceases to be supported and maintained by EGI.

6. Training. For a fee not in excess of \$1,500, ERAD agrees to provide: (1) a training plan or description of recommended training to have a full working knowledge of the system; (2) in conjunction with conferences with appropriate OHP personnel, an identification of DPS positions to be trained; and, (3) the development of the training environment, i.e., on-site, web, video, etc., per RFP §C.2.3. Additionally, EGI agrees to provide or conduct the training sessions.

7. **Agency Reports.** Agency will provide EGI detailed reports, no later than the 5th of each month, detailing the case number, status and value of all prepaid access cards seized using the Payment Processing Service. The report will include sufficient detail such that EGI can independently verify accuracy of the information. EGI reserves the right to audit Agency records related to the status of cases involving the Payment Processing Service.

8. **Data Security.** Agency shall be solely responsible for the security of any network, platform or device used to access the Product. EGI shall provide commercially reasonable assistance with passwords used to access the Product, but all password administration, deletions, changes and ongoing oversight shall be the sole responsibility of Agency.

9. **Termination.** In addition to the termination rights provided in the Agreement, this Rider is terminable by EGI if Agency uses the Product for a purpose or in any fashion that is inconsistent with the express provisions of this Rider. For the purpose of this Rider, the definition of "Early Termination" set forth in the Agreement is amended to include termination of this Rider by EGI as a consequence of the events described in this subsection.

10. **Definitions and Conflicts.** All capitalized terms not specifically defined in this Rider shall have the same meaning as in the Agreement. In the event of a conflict between the terms of this Rider and the Agreement, this Rider shall control.

The State of Oklahoma by and through The
Office of Management and Enterprise Services

ERAD GROUP INC.

ATTACHMENT B

Signature Date
James L. Reese, II, Chief Information Officer



Signature Date
T. Jack William, President 30 Mar 2016

EXHIBIT B-1

THIS EXHIBIT B-1 IS RESTRICTED TO OPTIONAL TERMS ONLY APPLICABLE IN THE EVENT AGENCY IN ITS SOLE DISCRETION IN THE FUTURE EXERCISES ANY OF THE OPTIONS SET OUT IN EXHIBIT B-2 UNDER A SPECIFIC WRITTEN PURCHASE ORDER OF CHANGE ORDER ISSUED BY THE STATE

If Agency elects in writing *via* a purchase order or change order, EGI agrees to provide any or all of the following solution set out in this Exhibit B-1.

Purchased Terminal Bundled Solution Agreement

Section 1. Purchased Terminal Bundled Solution Description

1.1 **Overview.** EGI, shall provide the Purchased Terminal Bundled Solution (TBS) to Agency in accordance with this Exhibit B-1. Each PTBS Solution consists of a VeriFone terminal device and VeriFone's PAYware Connect with data encryption, bundled with remote terminal management with automated downloads via VeriCentre, Support Services, Buyer Protection Plan Services or Repair Services, whichever the case may be, Priority Exchange Services and VeriFone Connect Services (all such services referred to herein as the "**Services**"), each as further described in this Exhibit B-1. Device types that will be made available as part of the PTBS Solution are as set forth below (**Devices**). Agency acknowledges that EGI has contracted with VeriFone and with third parties for certain devices and services being provided hereunder, as specified in Exhibit B-2 (the "**Third Party Products and Services**").

1.2 **Service Term.** Except as provided under the terms of the Contract, a minimum service term of three (3) years applies to each PTBS Solution (which includes the first Device) per Agency location, and separately for each additional Device at such location, as set forth in Exhibit B-2 (the "**Minimum Service Term**"). Such Minimum Service Term commences on the earlier of (a) the date a Device is activated on the PAYware Connect Gateway, or (b) two (2) months after EGI ships such Device. At the termination of the Minimum Service Term for each Device, several options are available to Agency with respect thereto, as set forth in Exhibit B-2. If Agency elects to continue the PTBS Solution for such Device, then, subject to Sections 2 and 9 of the Agreement (Term and Termination) and Section 3 in Exhibit B-2, EGI shall continue to provide the PTBS Solution for such Device until such time as Agency deactivates such Device (the "**Additional Service Term**" and with the Minimum Service Term, the "**Service Term**"); any such deactivation shall be effective immediately. Notwithstanding the foregoing, EGI reserves the right to terminate the PTBS Solution for any Device by providing 30 days written notice thereof to Agency at any time during the Additional Service Term for such Device.

Section 2. Software License

2.1 **License to Device Software.** EGI hereby grants Agency a non-exclusive, non-transferable limited license (a) to use the Device software (in object code form only) and/or documentation together with the Devices purchased from EGI for the sole purpose of using such Devices, subject to the provisions in any separate license agreement or other document (relating to such software and/or documentation) supplied by EGI to Agency.

Section 3. Expiration or Termination

3.1 **Termination of Third Party Products and Services.** EGI shall have the right to terminate any Third Party Product or Third Party Services that may be included in the PTBS Solution at any time upon written notice to Agency if EGI's agreement with its product supplier or service provider terminates and this termination does not create a material reduction in services to Agency or a break in service to Agency. EGI shall use commercially reasonable efforts to provide Agency with sixty (60) days written notice of any such termination; however, Agency acknowledges that EGI may not be able to provide such notice under its contractual arrangement with its service provider.

3.2 **Effect of Expiration.** Upon expiration of the Agreement or upon termination of the Agreement by either party: (a) Agency's right to order the PTBS Solution shall terminate, (b) EGI shall continue to provide the PTBS Solution to Agency with respect to their Devices through the remaining term, (c) EGI shall continue to provide the PTBS Solution to Agency for any Additional Service Terms, subject to termination by Agency by deactivation of the applicable Device or termination by EGI upon written notice.

3.3 **Effect of Termination for Breach.** In the event of termination of the Agreement for breach by EGI, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above. In the event of termination of the Agreement for breach by Agency, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.2 above.

[End of Exhibit B-1]

EXHIBIT B-2

THIS EXHIBIT B-2 CONTAINS A FEW REQUIRED TERMS AND THOSE TERMS ARE FOLLOWED BY OPTIONAL TERMS ONLY APPLICABLE TO OPTIONAL PURCHASES IF THE OPTION IS EXERCISED BY AGENCY IN THE FUTURE VIA A SEPARATE WRITTEN PURCHASE ORDER OR CHANGE ORDER

A. REQUIRED TERMS

Products:

EGI will provide Agency with the following products in the quantity as set out in a separate State or Agency purchase order and at the indicated prices:

Devices: Mini magnetic stripe card readers at the following prices: 1-10 units at \$39 per unit; 11 to 50 Units at \$34 per unit and more than 50 units at \$29. Training on the units is included in the price.

Licenses: Virtual Terminal Software Licenses at the following monthly prices: 1 to 10 Licenses at \$14.95 per License; 11 to 25 Licenses at \$13.95 per License; 26 to 50 Licenses at \$12.95 per License; 51 to 100 Licenses at \$11.95 per License; 101-500 Licenses at \$11.45 per License; 501-1,000 Licenses at \$10.95 per license; 1001-2,500 Licenses at \$10.45 per License; and, over 2,500 Licenses at \$9.95 per License.

Services: At no additional cost to Agency, EGI will provide Agency with the following services:

(1) PAYware Connect with Data Encryption Services. PAYware Connect provides transaction routing to enable various transaction types, as well as online reporting. Data encryption services provide encryption of the sensitive credit/debit card track data elements from the Device to the PAYware Connect gateway, at which point the data elements are decrypted and sent to the applicable processor. For VX and MX devices, the VeriShield Protect Terminal Application must be installed in each Device in order to enable the encryption functionality.

Agency will have access to real-time transaction-based reports and terminal management (boarding/disabling) via the PAYware Connect gateway Client console. Agency can track its single or multi-location operations in a consolidated manner.

(2) Help Desk Services. EGI shall provide Agency with support services for the PAYware Connect Gateway. Agency may call the VeriFone Call Centre for Device issues. In such event, VeriFone shall provide Device troubleshooting for Device related problems or restore Device operation if possible and refer Agency to the BPP Services if necessary.

(3) Maintenance and Support of Product and all Devices: The first year's maintenance and support of Product and all devices is included in the 1st year's cost of the Product. The cost for the 1st renewal year is \$3,000, and the cost for the 2nd, 3rd and 4th renewal years is \$5,000 per year.

TJW

B. OPTIONAL TERMS

The balance of this Exhibit B-2 Describes Products and Services Available to Agency upon its exercise of a Written Option to Acquire such Products and Services

Purchased Terminal Bundled Solution Pricing

Fees for Purchased Terminal Bundled Solution:

The fee amount is based on the specific Device models included.

Table 1.0 PTBS Solution Pricing

PTBS Bundle #1	Price
1. One (1) VX680 GPRS Terminal w/battery, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three (3) year Priority Exchange Services 5. Three (3) year wireless connectivity and processing gateway access for prepaid access card transactions via VeriFone Connect GPRS Wireless Service 6. Three (3) year next-day Repair Service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground freight	\$1,595.00
PTBS Bundle #2	Price
1. One (1) VX680 WI-FI Terminal w/ battery, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three (3) year Priority Exchange Services 5. Three (3) year processing gateway access for prepaid access card transactions 6. Three (3) year next-day Repair Service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground <i>freight</i>	\$1,295.00
PTBS Bundle #3	Price
1. One (1) VX520 dial/IP Terminal w/power cord, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three Year Priority Exchange Services 5. Three (3) year processing gateway access for prepaid access card transactions 6. Three (3) Buyer Protection Plan (BPP) next-day repair service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground freight	\$795.00
Other Services	Price

ATTACHMENT B

1. Expedited shipping (excludes air delivery charges)	\$35.00 each
2. Returned terminal for incorrect address/information	\$25.00 each
3. Magnetic Stripe Port Sharing license	\$29.00 each
4. Additional Virtual seat license for transaction processing and report access per year. Internet access required for online portal	\$120.00/year

Pricing Notes:

- (a) One device is included in each Bundle. Certain devices are only available in the United States.
- (b) Priority Exchange Services are only available to clients in the United States.
- (c) Buyer Protection Plan (BPP) provided for Countertop devices. Repair Services provided for mobile handheld devices.
- (d) Help Desk Support is available to Agency for VeriFone products and services provided with the PTBS Bundles. For any Third Party Product or Service, EGI may extend Help Desk Support to such Third Party Product or Service, or the third party may provide direct support to the customer. The support terms for such Third Party Products and Services are available from EGI upon request.
- (e) For VeriFone's VX devices, VeriShield encryption is supported.
- (f) PTBS Bundle prices are based on IP transactions. A Dial Surcharge of \$0.024 per transaction will apply to any dial transactions.
- (g) The VeriFone Connect Service is a "Third Party Service."
- (h) Pricing is subject to change pursuant to Section 3 of the Agreement; however, any price change shall not apply to any Devices covered by an existing Term.

Device Return

Agency must request a Material Return Authorization from EGI in connection with any return of a Device to EGI under this Exhibit B-2.

Services:

(1) VeriCentre Service. EGI will remotely manage terminal application software updates to the field on behalf of the Agency via its hosted VeriCentre service. Application updates will be automated during Agency off hours so no Agency action is required to acquire the download.

(2) Deployment Services. Prior to shipment, EGI shall perform the ERAD application download and ship the Devices to Agency. Any other additional deployment actions may be subject to additional fees.

(3) Buyer Protection Plan Services for Countertop Devices ("BPP Services")

During the Service Term, Agency may return a countertop device to EGI for repair. EGI shall use commercially reasonable efforts to complete the BPP Services and ship the serviced device back to Agency. EGI shall use only VeriFone-authorized parts on all VeriFone devices serviced. This BPP Service includes out of scope repairs required as a result of acts of nature, spillage and accidental breakage, subject to the limitation set forth below.

Specific BPP Services performed shall consist of the following, as applicable:

- a. Dating Devices in and out of repair process for tracking and reporting
- b. Troubleshooting and diagnostics of Devices to isolate problems
- c. Repairing/replacing defective components including boards and print head mechanisms due to normal wear and tear
- d. Cleaning internal components, cases, keys and accessories
- e. Replacing worn or scratched cases and keys
- f. Replacing scratched or tarnished lenses
- g. Installing applicable Engineering Change Orders
- h. Installing ribbon and paper in printers
- i. Accessories will be repaired or replaced if defective but will NOT be replaced if missing
- j. Testing of Devices (limited to power on and print test, if applicable)
- k. Repackaging in new boxes
- l. Maintaining repair history on all Devices serviced

Consumables: The BPP Services do not include consumable items such as paper, the Device stylus or the wireless Device battery.

Out of Scope Limit: Out of scope repairs are limited to twenty percent (20%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Out of Scope service on all units in excess of the allowed twenty percent.

ATTACHMENT B

No Trouble Found Limit: Devices returned for repair or replacement that are not defective and are fully operational can not exceed ten percent (10%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Clean and Test service on all units in excess of the allowed 10%.

(6) Repair Services for Mobile Handheld Wireless Devices ("Repair Services")

EGI shall provide the following repair services for Devices that are VeriFone mobile handheld wireless devices: If it is determined that any Device is defective due to faulty workmanship or defective materials, or that any software component of such unit fails to substantially conform to the written documentation designated by VeriFone for use with such software component, then Agency may return such unit to EGI during the Service Term. Upon receipt of any such unit during the Service Term, EGI shall, at its expense, (1) in EGI's sole discretion, repair or replace such unit, and (2) ship such unit to return it to its original location. EGI's obligations hereunder shall arise only if EGI's examination of the unit in question discloses to EGI's satisfaction that the claimed defect or nonconformity actually exists and was not caused by any improper installation, testing or use, any misuse or neglect, any failure of electrical power, air conditioning or humidity control, or any act of God, accident, fire or other hazard.

(7) Priority Exchange Service

In the event that EGI's Help Desk determines that a replacement is required for a failed unit or Device, EGI will initiate the shipment of such replacement device to Agency. Orders logged by the Help Desk **before** 5:00 PM ET, Monday through Friday will be shipped the same day for next business day delivery. Orders logged by the Help Desk **at or after** 5:00PM ET, Monday through Friday, will be shipped the next business day, via standard overnight delivery. Federally designated holidays may be excluded by EGI. EGI will not be liable for any delays in order processing due to inaccurate or incomplete orders.

Prior to shipment, EGI shall perform the following services, as applicable, with respect to each unit:

1. Configure the Device - affix ERAD specific overlay, labels, and keypad covers, as applicable
2. Hardware testing - power up and test the Device
3. Download ERAD applications on the Device
4. Include ERAD instruction sheets with the replacement Device

Delivery of the replacement unit shall be via overnight courier, shipping and handling pre-paid. The Agency site shall be responsible for installing the replacement unit.

Supply items: Power Packs and cables are not to be returned with the non-functioning Device and should remain at the Agency site location. Power packs and cables are considered supply items.

Accessories: The stylus device must be returned with the non-functioning device as EGI will deploy a stylus with the functioning device.

For each failed unit or Device replaced by EGI hereunder, EGI shall arrange for retrieval of the defective Device. The Agency site shall be responsible for de-installing the failed unit, packing such unit in the shipping box sent with the replacement unit (pursuant to the instructions enclosed with the replacement unit), and including on the exterior of such box any Material Return Authorization ("MRA") number enclosed with the replacement unit. EGI shall issue one call tag (dispatch a carrier) for each device. A call tag will include three carrier attempts to pick up the non-functioning device. If the second attempt is unsuccessful, EGI will contact the site to initiate retrieval. If by the third attempt the non-functioning device has still not been retrieved, EGI will contact the site and escalate for follow up. In the event Agency fails to return a failed Device within 45 days, EGI shall notify Agency of such non-recovered Device. In the event the failed unit is not recovered within 60 days after notification, and returned to EGI, EGI will invoice Agency at EGI's list price for the Device, plus an administration fee of \$100.00. In the event the Device is recovered after invoicing takes place, this price will be credited back to Agency, minus the administration fee.

The repair of retrieved Device is covered under VeriFone's BPP Services or Repair Services, as set forth above.

(8) VeriFone Connect GPRS Wireless Service

EGI shall provide Agency with its VeriFone Connect Services for the VX680 devices. All internet connectivity is the responsibility of Agency.

Agency shall not remove any SIM cards provided with a Device from such Device, without the express prior written consent of EGI or VeriFone.

EGI may interrupt the VeriFone Connect services at any time and for any period of time, without any liability on its part, if Agency fails to comply with any obligations under this Agreement, or where EGI reasonably deems it necessary to prevent the improper or unlawful use of the VeriFone Connect services.

Agency acknowledges that the VeriFone Connect services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance. VeriFone reserves the right, in its sole discretion, to make improvements to or correct any error or omissions in the VeriFone Connect services which may or may not affect access to the VeriFone Connect services.

ATTACHMENT B

WITH REGARD TO THE VERIFONE CONNECT SERVICES: (1) NEITHER EGI NOR VERIFONE SHALL BE LIABLE TO AGENCY FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: (I) FACILITIES, EQUIPMENT, SOFTWARE, APPLICATIONS, SERVICES OR CONTENT PROVIDED BY AGENCY OR THIRD PARTIES, (II) SERVICE INTERRUPTIONS, DEGRADATION, ERRORS, DELAYS OR DEFECTS OF TRANSMISSION, (III) UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION OR LOSS OR DESTRUCTION OF AGENCY OR THIRD PARTY'S APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORK OR SYSTEMS BY ANY MEANS, OR (IV) ANY ACT OR OMISSION OF AGENCY OR A THIRD PARTY; AND (2) NEITHER EGI NOR VERIFONE IS LIABLE FOR ANY DELAYS IN SERVICE IMPLEMENTATION OR DELIVERY.

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A. GENERAL PROVISIONS

The following provisions shall apply where and as applicable to this Solicitation.

A.1. Definitions

As used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

- A.1.1. "Acquisition" means items, products, materials, supplies, services and equipment acquired by purchase, lease purchase, lease with option to purchase, or rental pursuant to applicable state law.
- A.1.2. "Amendment" means a written restatement of or modification to a Contract Document executed by both parties.
- A.1.3. "Bid" means an offer in the form of a bid, proposal or quote a Bidder submits in response to this Solicitation.
- A.1.4. "Bidder" means an individual or Business Entity that submits a Bid in response to this Solicitation.
- A.1.5. "Business Entity" means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, limited liability limited partnership, sole proprietorship, joint stock company, consortium, or other legal entity recognized by statute.
- A.1.6. "COTS" means software that is commercial off the shelf.
- A.1.7. "Contract" means this Solicitation, which together with other Contract Documents, as may be amended from time to time, evidences the final agreement between the parties with respect to the contract awarded pursuant to this Solicitation.
- A.1.8. "Contract Document" means, when executed by all applicable parties as necessary, this Solicitation, the Bid of the awarded Supplier, any statement of work, work order, rider or similar document related hereto, any purchase order related hereto, other statutorily required or mutually agreed documents related hereto, and any Amendment to any of the foregoing.
- A.1.9. "Closing Date and Time" is 3:00 P.M. Central Time on the date this Solicitation closes.
- A.1.10. "Interlocal Entity" means, with respect to any state other than Oklahoma, any authority, office, bureau, board, council, court, commission, department, district, institution, unit, division, body or house of any branch of such state government, any political subdivision of such state, and any organization related to any of the foregoing.
- A.1.11. "OMES - ISD" means the Office of Management and Enterprise Services, Information Services Division, on behalf of the State of Oklahoma.
- A.1.12. "Procuring Agency" means the State of Oklahoma Agency initiating the procurement.
- A.1.13. "Request for Information or RFI" means a non-binding procurement practice used to obtain information, comments, and feedback from interested parties or potential suppliers prior to issuing a solicitation.
- A.1.14. "State" means the government of the State of Oklahoma, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the State of Oklahoma.
- A.1.15. "State Entity" means any agency, authority, office, bureau, board, council, court, commission, department, district, institution, unit, division, body or house of any branch of the State government, any political subdivision of the State, and any organization related to any of the foregoing.
- A.1.16. "State CIO" is the State Chief Information Officer or designee, in the capacity of the State Purchasing Director for information technology and telecommunications Acquisitions.
- A.1.17. "Solicitation" means this document inviting Bids for the Acquisition referenced herein.
- A.1.18. "Supplier" means the Bidder with whom the State enters into the Contract awarded pursuant to this Solicitation.
- A.1.19. "Utilities" means a Bidder's reusable or pre-existing proprietary intellectual property that forms the basis for a customized or developed software deliverable for the State and which is specifically identified as such by the Bidder in writing prior to execution of the Contract awarded pursuant to this Solicitation.

A.2. Certification Regarding Debarment, Suspension, and Other Responsibility Matters

By submitting a Bid to this Solicitation:

- A.2.1. The Bidder certifies that the Bidder and its principals or participants:
 - A.2.1.1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal, state or local department or agency;
 - A.2.1.2. Have not within a three-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract; or for violation of federal or

state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- A.2.1.3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the foregoing offenses enumerated in this certification; and
- A.2.1.4. Have not within a three-year period preceding this Contract had one or more public (federal, state or local) contracts terminated for cause or default.

A.2.2. Where the Bidder is unable to certify to any of the statements in the certification above, Bidder shall attach an explanation to the Bid.

A.3. Bid Public Opening

Sealed Bids may be opened upon public request at the time and date specified herein as the Closing Date and Time.

A.4. Late Bid

Bids received by the State after the Closing Date and Time shall be deemed non-responsive and shall not be considered for any resultant award.

A.5. Legal Contract

By submitting a Bid to this Solicitation:

- A.5.1. Submitted Bids are rendered as a legal offer and when accepted by the State, shall constitute a contract.
- A.5.2. The Contract Documents resulting from this Solicitation shall have the following order of precedence: this Solicitation, other contract award documents, including but not limited to the Purchase Order, Amendments, required certification statements, change orders, license and other similar agreements; and the successful Bid. In the event there is a conflict between any of the preceding documents, the other contract award documents prevail over this Solicitation, and both the other contract award documents and this Solicitation shall prevail over the successful Bid. If there is a conflict between the terms of any Contract Document and applicable Oklahoma law, rules or regulations, such laws, rules and regulations shall prevail over the conflicting terms of the Contract Document.
- A.5.3. Any Contract Document related to this Solicitation shall be legibly written or typed.
- A.5.4. All transactions related to this Solicitation, and any Contract Document related hereto, may be conducted by electronic means pursuant to the Oklahoma Uniform Electronic Transactions Act.

A.6. Pricing

- A.6.1. Bids shall remain firm for a minimum of one-twenty (120) days after the Closing Date and Time.
- A.6.2. Bidders guarantee unit prices to be correct.
- A.6.3. In accordance with 74 O.S. §85.40, all travel expenses to be incurred by Supplier in performance of the Contract shall be included in the total Bid price/contract amount.
- A.6.4. All costs incurred by the Bidders for Bid preparation and participation in this competitive procurement shall be the sole responsibility of the Bidder. The State of Oklahoma shall not reimburse any Bidder for any such costs.

A.7. Firm Fixed Price

Unless this Solicitation specifies otherwise, a Bidder shall submit a firm, fixed price for the term of the Contract.

A.8. Pricing Requirements

If Bidder pricing does not meet requirements of the section herein titled Price and Cost, the Bid may be considered non-responsive.

A.9. Manufacturers' Name and Approved Equivalents

Unless otherwise specified in this Solicitation, manufacturers' names, brand names, information, and/or catalog numbers listed in a specification are for information and not intended to limit competition. Bidder may offer any brand for which it is an authorized representative, which meets or exceeds the specification for any item(s). However, if a Bid is based on equivalent products, indicate on the Bid form the manufacturer's name and number. Bidder shall submit sketches, descriptive literature, and/or complete specifications with their Bid. Reference to literature submitted with a previous Bid shall not satisfy this provision. The Bidder shall also explain in detail the reason(s) why the proposed equivalent will meet the specifications and not be considered an exception thereto. Bids that do not comply with these requirements are subject to rejection.

A.10. Rejection of Offer

The State reserves the right to reject any Bids that do not comply with the requirements and specifications of this Solicitation. A Bid may be rejected when the Bidder imposes terms or conditions that would modify requirements of this Solicitation or limit the Bidder's liability to the State. Other possible reasons for rejection of Bids are listed in OAC 580:15-4-11

Attempts to impose unacceptable conditions on the State, or impose alternative terms not in the best interest of the State shall not be tolerated. Continued attempts to impose unacceptable conditions or terms on the State shall result in a determination of non-responsiveness of the Bid due to lack of compliance with the terms and conditions of negotiation or this Solicitation.

A.11. Award of Contract

- A.11.1. The State may award the contract to more than one Bidder by awarding the contract(s) by item or groups of items, or may award the contract on an all or none basis, whichever is deemed to be in the best interest of the State of Oklahoma.
- A.11.2. Contract awards shall be made to the lowest and best Bid(s) unless this Solicitation specifies that best value criteria is being used.
- A.11.3. In order to receive an award or payments from the State of Oklahoma, Bidder must be registered. The Bidder registration process can be completed electronically through the website at the following link: <https://www.ok.gov/dcs/vendors/index.php>.
- A.11.4. It is the preference of the State to award to a single Bidder. However, the State reserves the right to award to multiple Bidders when it has been determined to be in the best interest of the State.

A.12. Contract Modification

- A.12.1. The Contract Documents issued as a result of this Solicitation is under the authority of the State personnel signing the Contract Documents. The Contract may be modified only through a written Amendment, signed by the State.
- A.12.2. Any change to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by OMES - ISD in writing, or that is made unilaterally by the Supplier, is a material breach of the Contract. Unless otherwise specified by applicable law or rules, such changes, including but not limited to any unauthorized written Amendment, shall be void and without effect, and the Supplier shall not be entitled to any claim under the Contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the Contract.

A.13. Delivery, Inspection and Acceptance

- A.13.1. All deliveries shall be F.O.B. Destination. The Supplier shall prepay all packaging, handling, shipping and delivery charges and prices quoted shall include all such charges. Any products delivered pursuant to this Contract shall be subject to final inspection and acceptance by the procuring entity at destination and the procuring entity has no responsibility for the delivered products prior to acceptance. Title and risk of loss or damage to all items shall be the responsibility of the Supplier until accepted. The Supplier shall be responsible for filing, processing, and collecting any and all damage claims accruing prior to acceptance. "Destination" shall mean delivered to the receiving dock or other point specified in the applicable purchase order.
- A.13.2. Supplier shall be required to deliver products as offered on or before the required date. Deviations, substitutions, or changes in the products shall not be made unless expressly authorized in writing by the State or Interlocal Entity, as applicable.

A.14. Invoicing and Payment

- A.14.1. Upon submission of an accurate and proper invoice, the invoice shall be paid in arrears after products have been delivered or services provided and in accordance with applicable law. Invoices shall contain the purchase order number, a description of the products delivered or services provided, and the dates of such delivery or provision of services.
- A.14.2. State Acquisitions are exempt from sales taxes and federal excise taxes.

A.15. Audit and Records Clause

- A.15.1. As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting any contract with the State, the Supplier agrees any pertinent state or federal agency shall have the right to examine and audit all records relevant to execution and performance of this Contract.

- A.15.2. The Supplier is required to retain records relative to this Contract for the duration of this Contract and for a period of seven (7) years following completion and/or termination of this Contract. If an audit, litigation, or other action involving such records is started before the end of the seven-year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

A.16. Non-Appropriation Clause

The terms of this Contract and any purchase order issued for multiple years under this Contract are contingent upon sufficient appropriations being made by the applicable state legislature, federal government or other appropriate government entity. Notwithstanding any language to the contrary in this Contract, or any other Contract Document, the State Entity or Interlocal Entity may terminate its obligations under this Contract if sufficient appropriations are not made by the Oklahoma Legislature, federal government or other appropriate governing entity to pay amounts that may become due under the terms of multiple year agreements in connection with this Contract. The decision as to whether sufficient appropriations are available shall be accepted by, and be final and binding on, the Supplier.

A.17. Choice of Law and Venue

- A.17.1. Any claims, disputes or litigation relating to the Contract Documents, singularly or in the aggregate, or the execution, interpretation, performance, or enforcement thereof shall be governed by the laws of the State of Oklahoma, or in the case of an Interlocal Entity, in the state in which the Interlocal Entity is located, without regard to application of choice of law principles.
- A.17.2. Venue for any action, claim, dispute, or litigation relating in any way to the Contract Documents shall be in Oklahoma County, Oklahoma, or in the case of an Interlocal Entity, as agreed to between such Interlocal Entity and Supplier or as otherwise provided by applicable law.

A.18. Termination for Cause

- A.18.1. The Supplier may terminate this Contract in whole or in part for default with both a thirty (30) day written request and upon written approval from the State. The State may terminate this Contract in whole or in part for default or any other just cause upon a thirty (30) day written notification to the Supplier.
- A.18.2. The State may terminate this Contract immediately, in whole or in part, without a thirty (30) day written notice to the Supplier, when violations are found to be an impediment to the function of the State and detrimental to the cause of a State Entity, when conditions preclude the thirty (30) day notice, or when the State determines that an administrative error occurred prior to Contract performance. Similarly, an Interlocal Entity may terminate its obligations to Supplier immediately upon any of the foregoing conditions in this subsection.
- A.18.3. If this Contract or certain obligations hereunder are terminated, the State, State Entity or Interlocal Entity, as applicable, shall be liable only for payment for products delivered and accepted and such termination shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law.

A.19. Termination for Convenience

- A.19.1. The State may terminate this Contract, in whole or in part, for convenience if the State Chief Information Officer determines that termination is in the State's best interest. The State shall terminate this Contract by delivering to the Supplier a notice of termination for convenience specifying the terms and effective date of termination. The Contract termination date shall be a minimum of sixty (60) days from the date the notice of termination is issued by the State. Similarly, an Interlocal Entity may terminate its obligations to Supplier upon a determination by the proper authority for such Interlocal Entity that termination is in the Interlocal Entity's best interest and notice of termination by such Interlocal Entity shall be provided in accordance with the foregoing requirements set forth in this subsection.
- A.19.2. If this Contract or certain obligations hereunder are terminated pursuant to this section, the State, State Entity, or Interlocal Entity, as applicable, shall be liable only for products delivered and accepted and such termination shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law.

A.20. Insurance

The Supplier shall maintain and promptly provide proof to the State of the following insurance coverage, and any renewals, additions or changes thereto, as long as the Supplier has any obligation under a Contract Document:

- a) Worker's Compensation and Employer's Liability Insurance in accordance with applicable law.
- b) Commercial General Liability Insurance on a per occurrence basis with limits of liability not less than \$1,000,000 per occurrence and aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage;
- c) Automobile Liability Insurance with limits of liability of not less than \$1,000,000 per occurrence combined single limit including bodily injury and property damage and with coverage, if applicable, for all owned vehicles, all non-owned

vehicles, and all hired vehicles;

- d) Professional Errors and Omissions Insurance which shall include Consultant's Computer Errors and Omissions Coverage with limits not less than \$1,000,000 per claim and in the aggregate; and
- e) Additional coverage required by the State in writing in connection with a particular Acquisition.

A.21. Employment Relationship

This Contract does not create an employment relationship between the parties. Individuals performing services required by this Contract are not employees of the State, a State Entity or an Interlocal Entity and, accordingly, shall not be eligible for rights or benefits accruing to such employees including but not limited to health insurance benefits, workers' compensation insurance, paid vacation or other leave, or any other employee benefit.

A.22. Compliance with the Oklahoma Taxpayer and Citizen Protection Act of 2007

By submitting a Bid to this Solicitation, the Bidder certifies that it is registered and participates in the Status Verification System, available at www.dhs.gov/E-Verify, as required under applicable State law and is in compliance with applicable federal immigration laws and regulations. The Bidder agrees that compliance with the certification set forth in this section shall be a continuing obligation.

A.23. Compliance with Applicable Laws

- A.23.1. In connection with its performance of obligations under the terms of this Contract, the Bidder certifies compliance with and, if awarded the Contract pursuant to this Solicitation, shall continue to comply with all applicable federal, state, and local laws, rules, regulations, ordinances and orders, as amended, including but not limited to the following:
 - a) Drug-Free Workplace Act of 1988 and as implemented at 45 C.F.R. part 76, Subpart F;
 - b) If the payments pursuant to the Contract are expected to exceed \$100,000.00, Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, and Environmental Protection Agency Regulations which prohibit the use under nonexempt Federal contract, grant or loans of facilities included on the EPA List of Violating Facilities;
 - c) Prospective participant requirements set forth at 45 C.F.R. part 76 in connection with debarment, suspension and other responsibility matters;
 - d) 1964 Civil Rights Act, Title IX of the Education Amendment of 1972, Section 504 of the Rehabilitation Act of 1973 and Executive Orders 11246 and 11375, Americans with Disabilities Act of 1990;
 - e) For Persons entering into a grant or cooperative agreement over \$100,000.00 (as defined at 45 C.F.R. §93.105 and 93.110), Anti-Lobbying Law set forth at 31 U.S.C. §1325 and as implemented at 45 C.F.R. part 93;
 - f) Obtaining certified independent audits conducted in accordance with Government Auditing Standards and Office of Management and Budget Circular A-133 with approval and work paper examination rights of the applicable procuring entity; and
 - g) Be registered as a business entity licensed to do business in the State, (registration through the Oklahoma Secretary of State at <https://www.sos.ok.gov>), have obtained a sales tax permit and be current on franchise tax payments to the State, as applicable.
- A.23.2. The Supplier shall maintain all applicable licenses and permits required in association with its obligations hereunder.
- A.23.3. The Supplier shall inform its employees, agents and proposed subcontractors who perform services for the State under this Contract of the Supplier's obligations hereunder and shall require compliance accordingly. At the request of the State, Supplier shall promptly provide adequate evidence that such persons are its employees, agents or approved subcontractors and have been informed of their obligations hereunder.

A.24. Gratuities

The rights of Supplier under the terms of this Contract may be immediately terminated, in whole or in part, by written notice if it is determined that the Supplier, its employee, agent or another representative offered or gave a gratuity (e.g., an entertainment or gift) to any State or Interlocal Entity employee directly involved in this Contract. In addition, a Supplier determined to be guilty of such a violation may be suspended or debarred.

A.25. Preclusion from Resulting Contracts

Any Bidder that has provided any consulting services or technical assistance that resulted in any specifications or concepts in this Solicitation, either directly or indirectly, is precluded from being awarded the Contract and from securing a sub-contractor that has

provided such services.

A.26. Mutual Responsibilities

The State and Supplier agree that:

- A.26.1. Neither party grants the other the right to use any trademarks, trade names, or other designations in any promotion or publication without express written consent by the other party.
- A.26.2. This is a non-exclusive Contract and each party is free to enter into similar agreements with others.
- A.26.3. Each party grants the other only the licenses and rights specified in the Contract Document and all other rights and interests are expressly reserved.
- A.26.4. Except as otherwise set forth herein, where approval, acceptance, consent, or similar action by either party is required under this Contract, such action shall not be unreasonably delayed or withheld

A.27. Background Checks and Verifications

At the sole discretion of the State, State Entity or Interlocal Entity, as applicable, employees of the Supplier and any subcontractor of the Supplier may be subject to background checks. If background check information is requested, the Supplier must submit, or cause to be submitted, the required information in a timely manner and the Supplier's access to facilities, data and information may be withheld prior to completion of background verification acceptable to the State, State Entity or Interlocal Entity.

A.28. Confidentiality

- A.28.1. The Supplier shall maintain strict security of all State data and records entrusted to it or to which the Supplier gains access, in accordance with and subject to applicable federal and state laws, rules, regulations and policies and shall use any such data or records only as needed by Supplier for performance of its obligations hereunder. The Supplier further agrees to evidence such confidentiality obligation in a separate writing if required under such applicable federal or state laws, rules and regulations. If Supplier utilizes a permitted subcontractor, Supplier shall obtain specific written assurance, and provide a copy to the State, that the subcontractor shall maintain this same level of security of all data and records entrusted to or accessed by the subcontractor and agree to the same obligations as Supplier, to the extent applicable. Such written assurance may be set forth in the required subcontractor agreement referenced herein.
- A.28.2. No State data or records shall be provided or the contents thereof disclosed to a third party unless specifically authorized to do so in writing by the State CIO or in compliance with a valid court order. The Supplier shall immediately forward to the State and the State CIO any request by a third party for data or records in the possession of the Supplier or any subcontractor or to which the Supplier or subcontractor has access and Supplier shall fully cooperate with all efforts to protect the security and confidentiality of such data or records in response to a third party request.

A.29. Unauthorized Obligations

At no time during the performance of this Contract shall the Supplier have the authority to obligate any other party hereto for payment of any goods or services over and above those set forth in this Contract. If the need arises for goods or services over and above the products, Supplier shall cease the project and contact the appropriate procuring entity for written approval prior to proceeding.

A.30. Electronic and Information Technology Accessibility

Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards ("Standards") set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template ("VPAT") describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

All representations contained in the VPAT provided will be relied upon by the State for accessibility compliance purposes.

A.31. Patents and Copyrights

- A.31.1. Without exception, the products prices shall include all royalties or costs owed by the Supplier to any third party arising from the use of a patent or copyright.

- A.31.2. If a third party claims that any portion of the products provided by Supplier under the terms of this Contract infringes that party's patent or copyright, the Supplier shall defend the State against the claim at the Supplier's expense and pay all related costs, damages, and attorneys' fees incurred by, or assessed to, the State, provided the State (i) promptly notifies the Supplier in writing of the claim and (ii) to the extent authorized by the Attorney General of the State, allows the Supplier to control the defense and any related settlement negotiations. If the Attorney General of the State does not authorize sole control of the defense and settlement negotiations to Supplier, Supplier shall be granted authorization to equally participate in any proceeding related to this section but Supplier shall remain responsible to indemnify the State for all associated costs, damages and fees incurred by or assessed to the State.
- A.31.3. If such a claim is made or appears likely to be made, the Supplier shall enable the State to legally continue to use, or modify for use, the portion of products at issue or replace such potential infringing products with at least a functional non-infringing equivalent. If the Supplier determines that none of these alternatives is reasonably available, the State shall return such portion of the products at issue to the Supplier, upon written request, in exchange for a refund of the price paid for such returned goods as well as a refund, if applicable, of other products which are rendered materially unusable as intended due to removal of the portion of products at issue.
- A.31.4. Supplier has no obligation regarding a claim based on any of the following: (i) modification of a product by any party other than Supplier, its employee, agent, representative, permitted subcontractor, or any State employee acting in conjunction with the Supplier; (ii) a program's use in other than its specified operating environment; (iii) the combination, operation, or use of a product with other products not provided by Supplier as a system or (iv) infringement solely by a non-Supplier product that has not been provided to the State by, through or on behalf of the Supplier as opposed to its combination with products Supplier provides to or develops for the State as a system.

A.32. Assignment

Supplier's obligations under a Contract Document may not be assigned or transferred to any other person or entity without the prior written consent of the State which may be withheld in its sole discretion. Rights granted under the terms of this Contract may be assigned or transferred, at no additional cost, to other entities within the State.

A.33. Severability

If any provision for this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

A.34. Paragraph Headings

The headings used in this Contract are for convenience only and do not constitute part of the Contract.

A.35. Failure to Enforce

Failure by the State, as applicable, at any time to enforce a provision of, or exercise a right under, any Contract Document shall not be construed as a waiver of any such provision. Such failure to enforce or exercise shall not affect the validity of any Contract Document, or any part thereof, or the right of the State to enforce any provision of, or exercise any right under, a Contract Document at any time in accordance with its terms. Likewise, a waiver of a breach of any provision in a Contract Document shall not affect or waive a subsequent breach of the same provision or a breach of any other provision in a Contract Document.

A.36. Conflict of Interest

- A.36.1. Bidder must provide immediate disclosure of any contractual relationship or any other relevant contact with any State personnel or another Supplier involved in the development of a Bidder's response to this Solicitation. Any conflict of interest shall, at the sole discretion of the State, be grounds for rejection of the Bid or termination of project involvement.
- A.36.2. In addition to any requirement of law or through a professional code of ethics or conduct, the Supplier and the Supplier's employees performing services for the State are required to disclose any outside activity or interest that conflicts or may conflict with the best interest of the State. Further, without prior written approval of the State, such employees shall not plan, prepare, or engage in any activity that conflicts or may conflict with the best interest of the State as long as the Supplier has an obligation under this Contract. Prompt disclosure is required under this section if the activity or interest is related, directly or indirectly, to any person or entity currently under contract with or seeking to do business with the State, its employees or any other third-party individual or entity awarded a contract with the State.

A.37. Limitation of Liability

To the extent any limitation of liability in any Contract Document is construed by a court of competent jurisdiction to be a limitation of liability in violation of applicable law, such limitation of liability shall be void.

A.38. Media Ownership (Disk Drive and/or Memory Chip Ownership)

- A.38.1. In accordance with the State of Oklahoma Information Security Policy, Procedures, Guidelines set forth online at <http://www.ok.gov/cio/documents/InfoSecPPG.pdf> ("Electronic Media Retention Requirements"), any disk drives and memory cards purchased with or included for use in leased or purchased equipment under this Contract remain the property of the State.
- A.38.2. Personal Identification Information may be retained within electronic media devices and components; therefore, the State shall not allow the release of electronic media either between State Entities or for the resale of refurbished equipment that has been in use by State Entities, by the Supplier to the general public or other entities. Electronic Media Retention Requirements shall also be applied to replacement devices and components, whether purchased or leased, the Supplier may supply during the downtime (repair) of equipment purchased or leased through this Contract. If a device has to be removed from a location for repairs, the State shall have sole discretion, prior to removal, to determine and enforce sufficient safeguards (such as a record of hard drive serial numbers) to protect Personal Identification Information that may be stored within the hard drive or memory of the device.

A.39. Offshore Services

No offshore services are provided for under this Contract. State data shall not be used or accessed internationally, for troubleshooting or any other use not specifically provided for herein without prior written permission, which may be withheld in the State's sole discretion, from the appropriate authorized representative of the State.

A.40. Failure to Provide

The Supplier's repeated failure to provide defined services, without reasonable basis as determined in the sole discretion of the State CIO, shall constitute a material breach of the Supplier's obligations, which may result in partial or whole cancellation of the Contract.

A.41. Agency Policies

The Supplier's employees and/or sub-contractors must adhere to the applicable State policies including, but not limited to acceptable use of Internet and electronic mail, facility and data security, press releases, and public relations. It is up to the Supplier to review and relay State policies covering the above to the consulting staff.

A.42. Compliance with Technology Policies

The Supplier agrees to adhere to the State of Oklahoma "Information Security Policy, Procedures, and Guidelines" available at:

www.ok.gov/OSF/documents/StateOfOklahomaInfoSecPPG_osf_12012008.pdf

A.43. High Technology System Performance and Upgrades

- A.43.1. If an Acquisition pursuant to this Contract includes a "high technology system" as defined under Oklahoma law, the Supplier shall provide documentation of the projected schedule of recommended or required system upgrades or improvements to such system for the three (3) year period following the target purchase date. If Supplier does not plan such system upgrades or improvements, the Supplier shall provide documentation that no system upgrades or improvements to the high technology system are planned for the three (3) year period following the target purchase date.
- A.43.2. Any Acquisition pursuant to this Contract of an upgrade or enhancement to a high technology system shall be conditioned upon the Acquisition being provided at no charge to the State; the Acquisition being provided to the State at no additional charge pursuant to a previous agreement with the Supplier; the Supplier providing documentation that any required or recommended upgrade will enhance or is necessary for performance of the applicable State agency duties and responsibilities; or the Supplier providing documentation that it will no longer supply maintenance assistance to the applicable State agency and the applicable State agency documenting that the functions performed by the high technology system are necessary for performance of the State agency duties and responsibilities.

A.44. Emerging Technologies

The State of Oklahoma reserves the right to modify the terms of this Contract at any time to allow for technologies not identified in this Contract. If there are repeated requests for an "emerging technology" and the State feels it is warranted to add such technologies, the State reserves the right to include such technology hereunder or to issue an Amendment to this Contract.

A.45. Ownership Rights

- A.45.1. Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto. With respect to Utilities, the Supplier grants the State, for no additional consideration, a perpetual, irrevocable, royalty-free license, solely for the internal business use of the State, to use, copy, modify, display, perform, transmit and prepare derivative works of Utilities embodied in or delivered to the State in conjunction with the products.
- A.45.2. Except for any Utilities, all work performed by the Supplier of developing, modifying or customizing software and any related supporting documentation shall be considered as Work for Hire (as defined under the U.S. copyright laws) and, as such, shall be owned by and for the benefit of State.
- A.45.3. In the event that it should be determined that any portion of such software or related supporting documentation does not qualify as "Work Made for Hire", Supplier hereby irrevocably grants to the State, for no additional consideration, a non-exclusive, irrevocable, royalty-free license to use, copy, modify, display, perform, transmit and prepare derivative works of any such software and any Utilities embodied in or delivered to the State in conjunction with the products.
- A.45.4. Supplier shall assist the State and its agents, upon request, in preparing U.S. and foreign copyright, trademark, and/or patent applications covering software developed, modified or customized for the State. Supplier shall sign any such applications, upon request, and deliver them to the State. The State shall bear all expenses that incurred in connection with such copyright, trademark, and/or patent applications.
- A.45.5. If any Acquisition pursuant to this Contract is funded wholly or in part with federal funds, the source code and all associated software and related documentation owned by the State may be shared with other publicly funded agencies at the discretion of the State without permission from or additional compensation to the Supplier.
- A.45.6. It is understood and agreed that the Software is being developed by the Supplier for the sole and exclusive use of the State of Oklahoma. Moreover, except with regard to any deliverable based on Supplier's Utilities, the State of Oklahoma shall be deemed the sole and exclusive owner of all right, title, and interest therein, including all copyright and proprietary rights relating thereto.
- A.45.7. Except for any Utilities, all work performed by the Supplier of software and any supporting documentation therefore shall be considered as Works for Hire (as such are defined under the U.S. Copyright Laws) and, as such, shall be owned by and for the benefit of State of Oklahoma.

A.46. Source Code Escrow – Reference Title 62 O.S. § 34.31

If required under applicable Oklahoma law relating to customized computer software developed or modified exclusively for a State Entity, the Supplier shall have a continuing obligation to comply with such law and place the source code for such software and any modifications thereto into escrow with an independent third party escrow agent. Supplier shall pay all fees charged by the escrow agent and enter into an escrow agreement, the terms of which are subject to the prior written approval of the State, with the escrow agent including terms that provide the State receives ownership of all escrowed source code upon the occurrence of any of the following:

- a) A bona fide material default of the obligations of the Supplier under the agreement with the agency;
- b) An assignment by the Supplier for the benefit of its creditors;
- c) A failure by the Supplier to pay, or an admission by the Supplier of its inability to pay, its debts as they mature;
- d) The filing of a petition in bankruptcy by or against the Supplier when such petition is not dismissed within sixty (60) days of the filing date;
- e) The appointment of a receiver, liquidator or trustee appointed for any substantial part of the Supplier's property;
- f) The inability or unwillingness of the Supplier to provide the maintenance and support services in accordance with the agreement with the agency;
- g) The ceasing of a Supplier of maintenance and support of the software; or
- h) Such other condition as may be statutorily imposed by the future amendment or enactment of applicable Oklahoma law.

A.47. Right to Renegotiate

Prior to exercising the State's right to cancel this Contract, the State may renegotiate the Contract for the purpose of obtaining more favorable terms for the State, provided that the term of the Contract is not modified.

A.48. Used or New Products

Bidder shall offer new items of current design unless this Solicitation specifies used, reconditioned, or remanufactured products are acceptable. Warranties in both cases should be the same.

A.49. Publicity

The award of this Contract to Supplier is not in any way an endorsement by the State of Supplier or the products and shall not be so construed by Supplier in any advertising or publicity materials. Supplier agrees to submit to the State all advertising, sales promotion, and other publicity matters relating to this Contract wherein the State's name is mentioned or language used from which the connection of the State's name therewith may, in the State's judgment, be inferred or implied as an endorsement. Supplier further agrees not to publish or use such advertising, sales promotion, or publicity matter or release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning this Contract without obtaining the prior written approval of the State.

A.50. Mandatory and Non-Mandatory Terms

- A.50.1. Whenever the terms "shall", "must", "will", or "is required" are used in this Solicitation, the specification being referred to is a mandatory specification of this Solicitation. Failure to meet any mandatory specification may cause rejection of a Bid.
- A.50.2. Whenever the terms "can", "may", or "should" are used in this Solicitation, the specification being referred to is a desirable item and failure to provide any item so termed shall not be cause for rejection of a Bid.

A.51. Non Tobacco – Smoke Free

By order of the Governor's Executive Order 2012-01, effective August 06, 2012 the use of any tobacco product shall be prohibited on any and all properties owned, leased or contracted for use by the State of Oklahoma, including but not limited to all buildings, land and vehicles owned, leased or contracted for use by agencies or instrumentalities of the State of Oklahoma.

A.52. OMES - ISD / Agency Relationship

Pursuant to the Oklahoma Information Technology Consolidation and Coordination Act, OMES - ISD is the entity designated to purchase information technology assets on behalf of the State of Oklahoma. The Act directs OMES - ISD to acquire necessary hardware and software, and directs OMES - ISD to authorize the use of these assets by other State agencies. OMES - ISD, as the owner of information technology assets on behalf of the State of Oklahoma, allows other State agencies to use these assets while retaining ownership and the right to reassign them upon written notification to the Supplier.

A.53. Acceptance of Solicitation Content

Unless otherwise provided in Section One of the Bidder's response to this Solicitation, all Bids shall be firm representations that the responding Bidder has carefully investigated and will comply with all terms and conditions contained in this Solicitation. Upon award of any contract to the successful Bidder, the contents of this Solicitation, as may be amended by the Bid, shall become contractual obligations between the parties. Failure to provide all proposed Amendments to the terms and conditions contained in this Solicitation of the Bid may cause the Bid to be rejected from consideration for award.

A.54. Special Provisions

Special Provisions apply with the same force and effect as these General Provisions. However, conflicts or inconsistencies shall be resolved in favor of the Special Provisions.

B. SPECIAL PROVISIONS

B.1. Contract Term, Renewal and Extension Option

- B.1.1. The initial contract period shall begin on the effective date and shall extend through One (1) Year (the "Initial Term") unless renewed, extended, or terminated in accordance with applicable contract provisions. The Supplier shall not commence work, commit funds, incur costs, or in any way act to obligate the State until so notified in writing of the approval of the contract. The authorized State representative is the only individual who can transmit that approval to the Supplier.
- B.1.2. Under Oklahoma law, the State may not contract for a period longer than one (1) year (the "Initial Term"). By mutual consent of the parties hereto, it is intended that there shall be four (4) options to renew, subject to the terms and conditions set forth herein, each for duration of one (1) year.
- B.1.3. After the Initial Term, the Agreement may be renewed annually upon mutual written consent of the parties. Prior to each renewal, the State shall subjectively consider the value of this Contract to the State, the Supplier's performance under the Contract and shall review certain other factors, including but not limited to the a) terms and conditions of Contract Documents to determine validity with current State and other applicable statutes and rules; b) then current products pricing and price discounts offered by Supplier; and c) then current products and support offered by Supplier.
- B.1.4. If the State determines changes to a Contract Document are required as a condition precedent to renewal, the State and Supplier will cooperate in good faith to evidence such required changes in an Amendment.
- B.1.5. The State, at its sole option, may choose to exercise an extension for ninety (90) days beyond the final renewal option period, at the Contract pricing rate. If this option is exercised, the State shall notify the Supplier in writing prior to contract end date. The State, at its sole option, may choose to exercise subsequent ninety (90) day extensions, by mutual consent and at the Contract pricing rate, to facilitate the finalization of related terms and conditions of a new award or as needed for transition to a new Supplier.
- B.1.6. In the alternative, the State CIO reserves the right to extend any Contract awarded if it is determined to be in the best interest of the State.

B.2. Obligations of Permitted Subcontractor

- B.2.1. If the Supplier is permitted to utilize subcontractors in support of this Contract, the Supplier shall remain solely responsible for its obligations under the terms of this Contract and for its actions and omissions and those of its agents, employees and subcontractors. Any proposed subcontractor shall be identified by entity name and by employee name in the applicable proposal and shall include the nature of the services to be performed. Prior to a subcontractor being utilized by the Supplier in connection with provision of the products, the Supplier shall obtain written approval of the State of such subcontractor and each employee of such subcontractor proposed for use by the Supplier. Such approval is within the sole discretion of the State. As part of the approval request, the Supplier shall provide a copy of a written agreement executed by the Supplier and subcontractor setting forth that such potential subcontractor is bound by and agrees to perform the same covenants and be subject to the same conditions, and make identical certifications to the same facts and criteria, as the Supplier under the terms of all applicable Contract Documents. Supplier agrees that maintaining such agreement with any subcontractor and obtaining prior approval by the State of any subcontractor and associated employees shall be a continuing obligation. The State further reserves the right to revoke approval of a subcontractor or an employee thereof in instances of poor performance, misconduct or for other similar reasons.
- B.2.2. All payments for products shall be made directly to the Supplier. No payments shall be made to the Supplier for any services performed pursuant to this Contract by unapproved or disapproved employees of the Supplier or a subcontractor.

B.3. Warrants

Supplier warrants and represents that products or deliverables specified and furnished by or through the Supplier shall individually, and where specified by Supplier to perform as a system, be substantially uninterrupted and error-free in operation and guaranteed against faulty material and workmanship for a warranty period of a minimum of ninety (90) days from the date of acceptance or the maximum allowed by the manufacturer. Defects in products or deliverables specified and furnished by or through the Supplier shall be repaired or replaced by Supplier at no cost or expense to the State if such defect occurs during the warranty period.

B.4. Manufacturer Accessibility VPAT Website

The Supplier may provide a URL link for a website maintained by the Supplier or product manufacturer which provides VPAT's for all products offered through the Contract.

B.5. Commercial Off-The-Shelf (Cots) Software

In the event that Supplier specifies terms and conditions or clauses in an electronic license agreement notice that conflict with the terms of this Contract, the additional terms and conditions or conflicting clauses shall not be binding on the State and the provisions of this Contract shall prevail.

B.6. Supplier Services

The State of Oklahoma shall not guarantee any minimum or maximum amount of the Supplier services that may be required under this Contract.

C. SOLICITATION SPECIFICATIONS

C.1. Overview

The State of Oklahoma Office of Management and Enterprise Services (OMES) Information Services Division (ISD) on behalf of The Oklahoma Department of Public Safety (DPS), is seeking bids for a proven successful implemented software as a services (SaaS) for card magnetic stripe reader solution that includes 20 portable hardware units with option to purchase additional units - Indefinite Quantity, software and licenses, maintenance and support services, and training necessary to provide a fully functional solution that allow Law Enforcement to read and manage data (seize, freeze or return funds) from cards with magnetic stripes containing account numbers and cash balances at the time of contact.

C.2. Mandatory Specification/Requirements

Mandatory requirements are the minimum capabilities, features, and/or technical standards that must be met by the proposed solution to be determined responsive. The Bidder shall clearly state their ability to meet the Minimum System (technical) requirements and will state how the requirements will be met, what assurances of success the proposed approach will provide. The solution must have the ability to be mounted inside a Law Enforcement cruiser (i.e. Dodge charger, Crown Victoria, etc.)

C.2.1. Technical Specifications

C.2.1.1. The solution shall have the ability to read cards at the point of stop and provide the trooper with information contained on magnetic stripe such as:

- a. name (if any recorded in stripe),
- b. cash balance,
- c. banking information (account number, routing number).
- d. ability to capture the identity of the trooper who runs the card.
- e. ability to produce reports on individual and aggregate activity of trooper(s).

C.2.1.2. The solution shall have the ability to place identified funds on hold for further investigation.

C.2.1.3. The solution shall have the ability to freeze or seize the funds at stop if sufficient evidence is available.

C.2.1.4. The bidder shall describe the process for all scenarios:

- a. Balance Inquiry
- b. Freeze
- c. Seize
- d. Return

C.2.1.5. The solution must be compatible with DPS Network on initial activation through transmission to Service Provider.

C.2.1.6. The bidder shall describe in general the data routing process.

C.2.1.7. The solution shall provide 4" wide receipt printing capabilities (Troops have in –car printers that only allow 4" continuous roll tape)

C.2.2. Maintenance and Support Plan

C.2.2.1. Provider shall provide a detailed Help desk description of their technical support options

C.2.2.2. Identification of and contact information (name; title; address; telephone and fax numbers; and e-mail address) for progressively higher levels that would become involved in resolving a problem.

C.2.2.3. Provider shall list the frequency of product upgrades are optional or mandatory, and patches made to current platform.

- a. The provider shall notify the DPS personnel 2 weeks before any updates and maintenance.
- b. The provider must inform DPS personnel if any updates and maintenance is going to be more than 2 hours.

C.2.3. Training Plan

The proposed solution must include a description of the recommended training required to have a full, working knowledge of the system.

C.2.3.1. The proposed training environment, for example on-site, web, video, or other.

C.2.3.2. Bidder will identify which personnel should be included in the training.

C.2.3.3. The maximum number that can attend the training.

C.2.4. Disaster Recovery Plan

The Provider shall develop a Disaster Recovery Plan that addresses the following:

The Disaster Recovery Plan shall describe the successful provider's approach that will be used to guide the preparation for and delivery of necessary disaster services in response to any disaster requiring extraordinary services response.

The Plan will identify resources involved in contingency operations, problem management and escalation procedures. Any changes to content must be approved by the state in advance.

The Disaster Recovery Plan shall include the actions and proposed approach the provider would take under the following scenarios:

- a. System goes down completely at provider's network or DPS.
- b. During the scheduled maintenance of the provider.
- c. Any outage due to physical or natural disaster damage at the provider's system.

C.3. Non Mandatory Specification/Requirements

Non-Mandatory requirements are considered added-value. Bidder should provide detailed information for additional features/functions listed, describe how each of these items will be provided or accomplished. Bidder's response must state if the feature/function is available or unavailable and include any associated cost. Bidder should provide examples, samples, and or screenshots as applicable to the proposed solution.

C.3.1. The bidder may include investigating tool capable of analyzing data on magnetic stripe and store until retrieved and printed at Headquarters.

D. EVALUATION

D.1. Evaluation and Award

- D.1.1. Bids shall be evaluated on the "best value" determination.
- D.1.2. The State reserves the right to request demonstrations and clarifications from any or all-responding Bidders.

D.2. Proposal Clarification Questions

The State reserves the right, at its sole discretion, to request clarifications of technical Bids or to conduct discussions for the purpose of clarification with any or all Bidders. The purpose of any such discussions shall be to ensure full understanding of the Bid. If clarifications are made because of such discussion, the Bidder(s) shall put such clarifications in writing. The clarification shall not alter or supplement the Bid.

D.3. Competitive Negotiations of Offers

The State reserves the right to negotiate with one, selected, all or none of the Bidders responding to this Solicitation to obtain the best value for the State. Negotiations could entail discussions on products, services, pricing, contract terminology or any other issue material to an award decision or that may mitigate the State's risks. The State shall consider all issues negotiable and will not be artificially constrained by internal corporate policies. Negotiation may be with one or more Bidders, for any and all items in the Bid.

Firms that contend that they lack flexibility because of their corporate policy on a particular negotiation item shall face a significant disadvantage and may not be considered. If such negotiations are conducted, the following conditions shall apply:

- D.3.1. Negotiations may be conducted in person, in writing, or by telephone.
- D.3.2. Negotiations shall only be conducted with potentially acceptable Bids. The State reserves the right to limit negotiations to those Bids that received the highest rankings during the initial evaluation phase.
- D.3.3. Terms, conditions, prices, methodology, or other features of the Bid may be subject to negotiations and subsequent revision. As part of the negotiations, the Bidder may be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the Bid.
- D.3.4. The requirements of this Solicitation shall not be negotiable and shall remain unchanged unless the State determines that a change in such requirements is in the best interest of the State Of Oklahoma.
- D.3.5. BEST and FINAL – The State may request best and final Bids if deemed necessary, and shall determine the scope and subject of any best and final request. However, the Bidder should not expect an opportunity to strengthen its Bid and should submit its best Bid based on the terms and condition set forth in this solicitation.

D.4. Selection Criteria

Note: Accessibility is required to be a part of the selection criteria.

- D.4.1. Technical Requirements
- D.4.2. Maintenance & Support
- D.4.3. Training Plan
- D.4.4. Disaster Recovery Plan
- D.4.5. References
- D.4.6. Cost

D.5. Evaluation Process

D.5.1. Determination of Solicitation Responsiveness

A responsive Bid is a Bid that meets all the following Solicitation requirements:

- Responding Bidder Information Sheet complete Form 076
- Certification for Competitive Bid and Contract (Non-Collusion Certification) Form 004
- VPAT
- Amendments, if issued, are acknowledged.

Meeting all requirements outlined above allows the offer to proceed in the evaluation process. Failure to meet all of the above may result in the proposal being disqualified from further evaluation.

Note: The following evaluation process is not presented in any sequence as any selection process may overlap the other in the evaluation.

D.5.2. Evaluation of Bid

The technical section of the Bid is evaluated based on the Solicitation specifications.

D.5.3. Evaluation of Cost

Cost comparisons are performed.

D.5.4. Demonstrations

If desired by the evaluation committee, the Bidder may be required to provide product/services demonstrations.

D.5.5. Best Value Evaluation of Product/Services

The award of Contract pursuant to this Solicitation to a Bidder is based upon which Bidder best meets the needs of the State.

The State reserves the right to negotiate with one or more Bidders, at any point during the evaluation and may negotiate any and all content of the Bid.

D.5.6. Each Bidder should be prepared to participate in oral presentations and demonstrations to define the Bid, to introduce the Bidder's team, and to respond to any and all questions regarding the Bid if requested by the State prior to award.

E. INSTRUCTIONS TO BIDDER

E.1. Introduction

Prospective Bidders are urged to read this Solicitation carefully. Failure to do so shall be at the Bidder's risk. Provisions, terms, and conditions may be stated or phrased differently than in previous solicitations. Irrespective of past interpretations, practices or customs, Bids shall be evaluated and any resultant contract(s) shall be administered in accordance with the plain meaning of the contents hereof. The Bidder is cautioned that the requirements of this Solicitation can be altered only by written Amendment approved by the State and that verbal communications from whatever source are of no effect. In no event shall the Bidder's failure to read and understand any term or condition in this Solicitation constitute grounds for a claim after award of the Contract.

E.2. Preparation of Bid

- E.2.1. Any usage amounts specified are estimates only and are not guaranteed to be purchased.
- E.2.2. Information shall be entered on the form provided or a copy thereof.

E.3. Submission of Bid

- E.3.1. All Bids must be submitted to OMES – ISD to the attention of the Procurement Specialist as identified on the front page of this Solicitation. It is the Bidder's sole responsibility to submit information in the Bid as requested by this Solicitation. The Bidder's failure to submit required information may cause its Bid to be rejected.
- E.3.2. The Bid should be paginated and indexed in alpha order with reference to specific sections of this Solicitation. All Bids shall be legibly written or typed. Any corrections to Bids shall be initialed. Penciled Bids and penciled corrections shall not be accepted and shall be rejected as non-responsive. Unnecessarily elaborate brochures or other presentations beyond those necessary to present a complete and effective Bid are not desired.
- E.3.3. Each Bidder must submit one (1) original hard-copy of the Bid and one (1) duplicate copies for a total of two (2) hard-copy documents. In addition, each Bidder must submit one (1) and one (1) copies of the Bid on CD, DVD, or thumb drive for a total of two (2) electronic documents in a "machine readable" format. One (1) CD, DVD, or thumb drive shall be marked as the original and will be considered the official response in evaluating responses for scoring, Open Records Requests, and protest resolution. Each Bid must be submitted in a single sealed envelope, package, or container.
- E.3.4. All information relating to price/costs are to be sent in a separate binder/envelope, on a separate CD, DVD, or thumb drive clearly marked as "Price/Cost".
- E.3.5. The name and address of the Bidder shall be inserted in the upper left corner of the single sealed envelope, package, or container. The solicitation number and solicitation response due date and time must appear on the face of the single envelope, package, or container.
- E.3.6. Bids shall be in strict conformity with the instructions to Bidder, and shall be submitted with a completed "Responding Bidder Information" OMES Form 076, and any other forms completed as required by this Solicitation.
- E.3.7. The required certification statement, "Certification for Competitive Bid and/or Contract (Non-Collusion Certification)", OMES Form 004, must be made out in the name of the Bidder and must be properly executed by an authorized person, with full knowledge and acceptance of all its provisions.
- E.3.8. All Bids submitted shall be consistent with the Oklahoma Central Purchasing Act and associated Rules and subject to the Information Services Act and other statutory laws and regulations as applicable.
- E.3.9. By submitting a Bid, Bidder agrees not to make any claims for damages or have any rights to damages, because of any misunderstanding or misrepresentation of the specifications or because of any misinformation or lack information.
- E.3.10. If a Bidder fails to notify the State of an error, ambiguity, conflict, discrepancy, omission or other error in this Solicitation, known to the Bidder, or an error that reasonably should have been known by the Bidder, the Bidder shall submit a Bid at its own risk; and if awarded the Contract, the Bidder shall not be entitled to additional compensation, relief, or time by reason of the error or its later correction. If a Bidder takes exception to any requirement or specification contained in this Solicitation, these exceptions must be clearly and prominently stated in the Bid.
- E.3.11. Bidders should note that this Solicitation reflects changes in the existing operation to increase efficiencies and streamline business environments in the State of Oklahoma. All previous solicitations or resultant contracts should not be either depended upon, perceived or interpreted to have any relevance to this Solicitation.

E.4. Bid Change

If the Bidder needs to change a Bid prior to the Solicitation Closing Date and Time, a new Bid shall be submitted to the State with the following statement: "This Bid supersedes the Bid previously submitted" in a single envelope, package, or container and shall be

sealed. The name and address of the Bidder shall be inserted in the upper left corner of the single envelope, package, or container. Solicitation number and solicitation closing date and time must appear on the face of the single envelope, package, or container.

E.5. Solicitation Amendments

- E.5.1. If an "Amendment of Solicitation", OMES Form 011 (or other format as provided), is issued, then the Bidder shall acknowledge agreement with each such Amendment of Solicitation by signing and returning the Solicitation Amendment. An executed Amendment may be submitted with the Bid or may be forwarded separately. If forwarded separately, the executed Amendment must contain this Solicitation number and Closing Date and Time on the front of the envelope. The State must receive the executed Amendment by the Closing Date and Time specified for receipt of bids for the Bid to be deemed responsive. Failure to agree to a Solicitation Amendment may be grounds for rejection.
- E.5.2. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this Solicitation. All Amendments to this Solicitation shall be made in writing by the State.
- E.5.3. It is the Bidder's responsibility to check the State's website frequently for any possible Amendments to this Solicitation that may be issued. The State is not responsible for the Bidder's failure to download any amendment documents required to complete its Bid.

E.6. Proprietary and/or Confidential

- E.6.1. Unless otherwise specified in the Oklahoma Open Records Act, Central Purchasing Act, or other applicable law, documents and information a Bidder submits as part of or in connection with a Bid are public records and subject to disclosure. If a Bidder claims any portion of its Bid as financial or proprietary confidential information, the Bidder must specifically identify what documents or portions of documents are considered confidential and identify applicable law supporting the claim of confidentiality. In addition, the Bidder shall submit the information separate and apart from the Bid and mark it Financial or Proprietary and Confidential. Pursuant to the Oklahoma State Finance Act, the State CIO shall make the final decision as to whether the separately submitted information is confidential.
- E.6.2. If the State CIO does not acknowledge the information as confidential, OMES – ISD will return or destroy the information with proper notice to the Bidder and the information will not be considered in the evaluation. A Bid marked, in total, as financial or proprietary and/or Confidential shall not be considered.

E.7. Oklahoma Open Records Act

Bids are subject to public disclosure in accordance with the Oklahoma Open Records Act. To the extent permitted by such Act, the Bid will not be disclosed, except for purposes of evaluation, prior to approval by the State CIO of the awarded Contract. All material submitted becomes the property of the State. Bids will not be considered confidential after award of the Contract except that information in the Bid determined to be confidential by the State CIO shall continue to be considered confidential.

E.8. Communications Concerning Solicitation

The procurement specialist listed on the cover page of this solicitation is the only individual in which the Bidder should be in contact with concerning any issues with this solicitation. Failure to comply with this requirement may result in the Bid being considered non-responsive and not considered for further evaluation.

E.9. Administrative Review

- E.9.1. Bidders who believe solicitation requirements or specifications are unnecessarily restrictive or limit competition may submit a request for administrative review, in writing, to the procurement specialist listed herein. To be considered a request for review must be received no later than 3:00 P.M. Central Time on November 05, 2015. The State shall promptly respond in writing to each written review request, and where appropriate, issue all revisions, substitutions or clarifications through a written amendment to this Solicitation. Requests for administrative review of technical or contractual requirements shall include the reason for the request, supported by information, and any proposed changes to the requirements.

E.10. General Solicitation Questions

Bidder may submit general questions concerning the specifications of this Solicitation. All questions and answers regarding this Solicitation shall be posted to the IT procurement wiki at:

<https://wiki.ok.gov/display/itprocurement/5850000475>

- E.10.1. Questions received via any other means will not be addressed. To register with the State of Oklahoma for wiki access, please follow the link below to request access.

<https://wiki.ok.gov/display/itprocurement/Home>

- E.10.2. In order to guarantee that wiki access is created prior to closing date for submitting questions for a solicitation, please request access at least five (5) business days prior to the closing date for questions. The State of Oklahoma cannot be responsible for a Bidder's lack of access if the request is not made within this timeline.
- E.10.3. When posing questions, every effort should be made to:
- a) be concise
 - b) include section references, when possible; and
 - c) avoid use of tables or special formatting (use simple lists).
- E.10.4. These questions shall be answered directly on the wiki and in the form of an amendment and posted on the OMES - ISD website and linked on the wiki. Bidders are advised that any questions received after 3:00 P.M. Central Time on December 01, 2015 shall not be answered.

E.11. P-Cards

The State of Oklahoma has issued payment cards to most State agencies. The current P-Card contract holder utilizes VISA.

If awarded a contract, will your company accept the State of Oklahoma approved purchase card:

Yes No (check one)

E.12. Electronic Funds Transfer (EFT)

The State of Oklahoma passed legislation in 2012 requiring funds disbursed from the State Treasury be sent electronically.

If awarded a contract will your company accept payment for invoices from the State by EFT:

Yes No (check one)

E.13. Bid Deliverables

Hard copy Bids should be bound, tabbed by section, and clearly marked as Original or Copy.

Note: Bid deliverables are to be submitted in both hard copy and electronic copy on CD, DVD, or thumb drive machine-readable format.

E.13.1. Section One – Introduction

- a) Letter of Introduction
- b) Completed "Responding Bidder Information" OMES Form 076.
- c) Completed "Certification for Competitive Bid and Contract" OMES Form 004.
- d) Signed Amendment(s), if any.
- e) Any exceptions to solicitation terms and conditions.

E.13.2. Section Two – References

References provided must contain a contact person with full contact information (i.e., current employer, telephone number, mailing address, e-mail address, and fax number). Failure of a reference provided by the Bidder to respond within 48 hours to inquiries made by DPS whether by e-mail, telephone, or fax may deem the Bidder's response to this solicitation as non-responsive.

E.13.2.1. Bidder shall provide three (3) references for magnetic card reader solution installed and currently operational in United States.

E.13.3. Section Three – Company Information

Bidder must provide detailed information on its company, including principals involved, number of employees, location, years in existence, a statement of financial stability, and any litigation or pending litigation for the past five years, or a statement indicating there is no litigation activity to report.

E.13.4. Section Four – Response to Specifications/Requirements

Provide detailed response to specifications/requirements in Section C & E of this Solicitation.

E.13.5. Section Five – EITA Compliance

Provide adequate information defining your products level of EITA compliance by providing a Voluntary Product Accessibility Template (VPAT) that indicates compliance of all products offered with the provisions of Section 508 of the Rehabilitation Act Amendments included in the Workforce Investment Act of 1998. Please complete the VPAT & Accessibility - OMES Form that is applicable. Attached for reference is the VPAT Instructions Template.

Supplier may provide a URL link to a website providing VPAT for products deliverables through resulting Contract.

E.13.6. Section Six – Bidder Agreements

Bidder shall provide any required software licenses, maintenance, service agreements and any other similar applicable agreements.

Note: Any such agreements the Bidder requires, should it be the awardee of the Contract, not submitted with Bidder's original Bid shall not be considered

E.13.7. Pricing

All information relating to costs are to be sent in a separate binder/envelope, on a separate CD, DVD, or thumb drive clearly marked as "Price/Cost."

E.14. Awardee Financial Status

Prior to award the State may choose to request information from the Bidder to demonstrate its financial status and performance, in the form of the last three years audited financial statements or the last three years of tax returns. A certified review may be accepted (clarification may be required). If the Bidder is a subsidiary of another entity, the last three years audited financial statements of three years tax returns for the parent company must also be submitted. The State reserves the right to withhold award to a Bidder who is deemed financially weak. The State reserves the right to determine financial status at its sole discretion.

Clarification or additional documents may be requested.

E.15. Notice of Award

A notice of award in the form of a purchase order or other Contract Documents resulting from this Solicitation shall be furnished to the successful Bidder and shall result in a binding Contract.

F. PRICE AND COST

Supplier must submit the price of their proposal in the following format:

F.1. The pricing of the initial set up and renewal options

Description	Cost
Initial set up	
Hardware	
Software License	
Installation	
Maintenance and support	
Training	
Total	\$

Description	Year 1 renewal option	Year 2 renewal option	Year 3 renewal option	Year 4 renewal option
Software License	\$	\$	\$	\$
Maintenance and support	\$	\$	\$	\$

F.2. The transaction cost

Transaction per Month	Per Transaction Fee
0-200	\$
201-400	\$
401-600	\$
601-plus	\$

F.3. The Completed forfeiture transaction cases once the funds are awarded to the state by the court.

Amount Forfeited	% fee
\$0-\$500	
\$501-\$1000	
\$1000-\$10000	
\$10001-\$50000	
\$50001-\$100000	
\$100001+	
Total	

G. CHECKLIST



Date of Issuance: 11/23/2015
Requisition No. 5850002716

Solicitation No. 5850000475
Amendment No. 1

Hour and date specified for receipt of offers is changed: No Yes, to: _____ 3:00 PM CST/CDT

Pursuant to OAC 580:16-7-30(d), this document shall serve as official notice of amendment to the Solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent.

Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment prior to the hour and date specified in the solicitation as follows:

- (1) Sign and return a copy of this amendment with the solicitation response being submitted; or,
- (2) If the supplier has already submitted a response, this acknowledgement must be signed and returned prior to the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date printed clearly on the front of the envelope.

ISSUED BY and RETURN TO:

U.S. Postal Delivery or Personal or Common Carrier Delivery:

Office of Management and Enterprise Services
ATTN: Cini Zacharia
5005 N. Lincoln Blvd. Suite 200
Oklahoma City, OK 73105

Cini Zacharia
Contracting Officer

Cini.zacharia@omes.ok.gov
E-Mail Address

Description of Amendment:

a. This is to incorporate the following:

A.26.2 This is a non-exclusive Contract and each party is free to enter into similar agreements with others.

Question: We feel that there are two justifications for this solicitation to be exclusive. Based on the two points below we request that 26.2 be omitted from the Solicitation

1. *Interoperability and the logistics of data access and data sharing to facilitate case analysis is compromised if a multi-provider solution is made available. In addition to the core functionality of the program, that is to secure a balance, freeze that balance and ultimately seize that balance is only part of the anti-money laundering advantage available to Oklahoma Law Enforcement. Having access to aggregated Oklahoma Law Enforcement data is an important aspect of the program as usage of prepaid access devices continues to grow as the preferred cash transport methodology of criminals. Having one provider allows Oklahoma Law Enforcement agencies a single portal, which will provide an important statewide understanding of criminal activity. With multiple providers, there is not a way to provide interoperability between systems.*
2. *The process requested in Solicitation 5850000475 is protected by our US Patent (8,881,976). We believe that any provider other than ERAD Group, Inc. would be in violation of this patent, unless they received a license, of which we have not done.*

Re: see below

Description of Amendment - continuing

A.30. Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards ("Standards") set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template ("VPAT") describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

Question: The technology requested in the Solicitation is available only to members of various Oklahoma Law Enforcement, and not the general population. The ERAD process is built upon the same accessibility requirements resident within the global payments platforms and change to platforms or networks is not possible. As such, we request that requirement A.30 be omitted from Solicitation 5850000475.

Re: see below

A.45.1 Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto.

Question: The technology being provided is built upon the global payments arena and provided to Oklahoma as Software As A Service (SAAS) for law enforcement agencies and departments only. None of the technology or processes that would be used to provide the services of this Solicitation will be developed for, or provided exclusively to Oklahoma. In addition, there is no transfer of any ownership, nor is any work considered "work for hire" or any software be conveyed as part of the services requested within this Solicitation. ERAD ownership includes but not limited to the patent (8,8881,976), the ERAD intellectual property, and processing methodology, ERAD Group, Inc. is the sole and exclusive owner of all right, title and interest therein and includes all process and information. As such, we request that all of the elements within sections 45.1 through 45.7 be omitted from the solicitation.

Re: We do not want to limit the scope of the solicitation for all possible bidders at this time through an amendment. . Therefore, we do not agree to the Vendor's request to omit Sections A.26.2, A.30., and A.45.1. To the extent an intent to award is offered. We are more than happy to readdress these issues. However, while we are happy to readdress these issues and any other exceptions, this ovation does not amount to the foregone conclusion we will accept the Vendor's exceptions, only that we will revisit them.

Description of Amendment - continuing

C.1 provide a fully functional solution that allow Law Enforcement to read and manage data (seize, freeze or return funds) from cards with magnetic stripes containing account numbers and cash balances at the time of contact.

C.2.1.1.c banking information (account number, routing number).

***Question:** The ERAD process is a fully functional system that provides the services requested in C.1 regarding cash balances on prepaid access devices (referred to as debit cards). The prepaid access device networks do not provide banking information such as bank account number or routing number. For example, many of the prepaid access devices law enforcement will find are a gift cards, and purchased with cash. As such, we request that C.2.1 be omitted from the Solicitation.*

Additional information regarding each prepaid access card is available via subpoena sent directly to the issuing financial institution, of which ERAD will assist whenever asked.

Re: In retrospect the Vendor's comments sound reasonable. Would assume all gift type cards composition is universal. The point is well taken and should have been considered some information requires a subpoena. Therefore DPS has no objection to removing C.2.1.1.c

C.2.2.1 The solution shall provide 4" wide receipt printing capabilities (Troops have in --car printers that only allow 4" continuous roll tape).

***Question:** The terminal solution, VeriFone VX-680 wireless, handheld card reader only accommodates a standard 2" wide receipt paper, which is the standard in the payments industry. This VeriFone terminal is unable to be changed to a 4" wide tape. The ERAD virtual terminal, available as part of the solution includes a print feature that to date, has not been requested. ERAD believes that this print feature would require material changes to their production process and such modification for DPS law enforcement could not be provided by ERAD. ERAD would be pleased to engage in testing the process with to determine the methodology best suited for DPS to accomplish this requirement. As such, ERAD requests that this element, C.2.2.1 be omitted from the Solicitation.*

Re: It appears the number C.2.2.1 refers to maintenance and support and not the print tape (C.2.1.7.) as referred to in the question. The solution shall provide a receipt printing capability. DPS does not want to modify any ones system. In other words, DPS wants strictly an off the shelf solution.



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State of Oklahoma
Office of Management and Enterprise
Services
Information Services Division

Solicitation

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A. GENERAL PROVISIONS

The following provisions shall apply where and as applicable to this Solicitation.

A.1. Definitions

As used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

- A.1.1. "Acquisition" means items, products, materials, supplies, services and equipment acquired by purchase, lease purchase, lease with option to purchase, or rental pursuant to applicable state law.
- A.1.2. "Amendment" means a written restatement of or modification to a Contract Document executed by both parties.
- A.1.3. "Bid" means an offer in the form of a bid, proposal or quote a Bidder submits in response to this Solicitation.
- A.1.4. "Bidder" means an individual or Business Entity that submits a Bid in response to this Solicitation.
- A.1.5. "Business Entity" means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, limited liability limited partnership, sole proprietorship, joint stock company, consortium, or other legal entity recognized by statute.
- A.1.6. "COTS" means software that is commercial off the shelf.
- A.1.7. "Contract" means this Solicitation, which together with other Contract Documents, as may be amended from time to time, evidences the final agreement between the parties with respect to the contract awarded pursuant to this Solicitation.
- A.1.8. "Contract Document" means, when executed by all applicable parties as necessary, this Solicitation, the Bid of the awarded Supplier, any statement of work, work order, rider or similar document related hereto, any purchase order related hereto, other statutorily required or mutually agreed documents related hereto, and any Amendment to any of the foregoing.
- A.1.9. "Closing Date and Time" is 3:00 P.M. Central Time on the date this Solicitation closes.
- A.1.10. "Interlocal Entity" means, with respect to any state other than Oklahoma, any authority, office, bureau, board, council, court, commission, department, district, institution, unit, division, body or house of any branch of such state government, any political subdivision of such state, and any organization related to any of the foregoing.
- A.1.11. "OMES - ISD" means the Office of Management and Enterprise Services, Information Services Division, on behalf of the State of Oklahoma.
- A.1.12. "Procuring Agency" means the State of Oklahoma Agency initiating the procurement.
- A.1.13. "Request for Information or RFI" means a non-binding procurement practice used to obtain information, comments, and feedback from interested parties or potential suppliers prior to issuing a solicitation.
- A.1.14. "State" means the government of the State of Oklahoma, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the State of Oklahoma.
- A.1.15. "State Entity" means any agency, authority, office, bureau, board, council, court, commission, department, district, institution, unit, division, body or house of any branch of the State government, any political subdivision of the State, and any organization related to any of the foregoing.
- A.1.16. "State CIO" is the State Chief Information Officer or designee, in the capacity of the State Purchasing Director for information technology and telecommunications Acquisitions.
- A.1.17. "Solicitation" means this document inviting Bids for the Acquisition referenced herein.
- A.1.18. "Supplier" means the Bidder with whom the State enters into the Contract awarded pursuant to this Solicitation.
- A.1.19. "Utilities" means a Bidder's reusable or pre-existing proprietary intellectual property that forms the basis for a customized or developed software deliverable for the State and which is specifically identified as such by the Bidder in writing prior to execution of the Contract awarded pursuant to this Solicitation.

A.2. Certification Regarding Debarment, Suspension, and Other Responsibility Matters

By submitting a Bid to this Solicitation:

- A.2.1. The Bidder certifies that the Bidder and its principals or participants:
 - A.2.1.1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal, state or local department or agency;
 - A.2.1.2. Have not within a three-year period preceding this Contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) contract; or for violation of federal or

state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- A.2.1.3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the foregoing offenses enumerated in this certification; and
- A.2.1.4. Have not within a three-year period preceding this Contract had one or more public (federal, state or local) contracts terminated for cause or default.

A.2.2. Where the Bidder is unable to certify to any of the statements in the certification above, Bidder shall attach an explanation to the Bid.

A.3. Bid Public Opening

Sealed Bids may be opened upon public request at the time and date specified herein as the Closing Date and Time.

A.4. Late Bid

Bids received by the State after the Closing Date and Time shall be deemed non-responsive and shall not be considered for any resultant award.

A.5. Legal Contract

By submitting a Bid to this Solicitation:

- A.5.1. Submitted Bids are rendered as a legal offer and when accepted by the State, shall constitute a contract.
- A.5.2. The Contract Documents resulting from this Solicitation shall have the following order of precedence: this Solicitation, other contract award documents, including but not limited to the Purchase Order, Amendments, required certification statements, change orders, license and other similar agreements; and the successful Bid. In the event there is a conflict between any of the preceding documents, the other contract award documents prevail over this Solicitation, and both the other contract award documents and this Solicitation shall prevail over the successful Bid. If there is a conflict between the terms of any Contract Document and applicable Oklahoma law, rules or regulations, such laws, rules and regulations shall prevail over the conflicting terms of the Contract Document.
- A.5.3. Any Contract Document related to this Solicitation shall be legibly written or typed.
- A.5.4. All transactions related to this Solicitation, and any Contract Document related hereto, may be conducted by electronic means pursuant to the Oklahoma Uniform Electronic Transactions Act.

A.6. Pricing

- A.6.1. Bids shall remain firm for a minimum of one-twenty (120) days after the Closing Date and Time.
- A.6.2. Bidders guarantee unit prices to be correct.
- A.6.3. In accordance with 74 O.S. §85.40, all travel expenses to be incurred by Supplier in performance of the Contract shall be included in the total Bid price/contract amount.
- A.6.4. All costs incurred by the Bidders for Bid preparation and participation in this competitive procurement shall be the sole responsibility of the Bidder. The State of Oklahoma shall not reimburse any Bidder for any such costs.

A.7. Firm Fixed Price

Unless this Solicitation specifies otherwise, a Bidder shall submit a firm, fixed price for the term of the Contract.

A.8. Pricing Requirements

If Bidder pricing does not meet requirements of the section herein titled Price and Cost, the Bid may be considered non-responsive.

A.9. Manufacturers' Name and Approved Equivalents

Unless otherwise specified in this Solicitation, manufacturers' names, brand names, information, and/or catalog numbers listed in a specification are for information and not intended to limit competition. Bidder may offer any brand for which it is an authorized representative, which meets or exceeds the specification for any item(s). However, if a Bid is based on equivalent products, indicate on the Bid form the manufacturer's name and number. Bidder shall submit sketches, descriptive literature, and/or complete specifications with their Bid. Reference to literature submitted with a previous Bid shall not satisfy this provision. The Bidder shall also explain in detail the reason(s) why the proposed equivalent will meet the specifications and not be considered an exception thereto. Bids that do not comply with these requirements are subject to rejection.

A.10. Rejection of Offer

The State reserves the right to reject any Bids that do not comply with the requirements and specifications of this Solicitation. A Bid may be rejected when the Bidder imposes terms or conditions that would modify requirements of this Solicitation or limit the Bidder's liability to the State. Other possible reasons for rejection of Bids are listed in OAC 580:15-4-11

Attempts to impose unacceptable conditions on the State, or impose alternative terms not in the best interest of the State shall not be tolerated. Continued attempts to impose unacceptable conditions or terms on the State shall result in a determination of non-responsiveness of the Bid due to lack of compliance with the terms and conditions of negotiation or this Solicitation.

A.11. Award of Contract

- A.11.1. The State may award the contract to more than one Bidder by awarding the contract(s) by item or groups of items, or may award the contract on an all or none basis, whichever is deemed to be in the best interest of the State of Oklahoma.
- A.11.2. Contract awards shall be made to the lowest and best Bid(s) unless this Solicitation specifies that best value criteria is being used.
- A.11.3. In order to receive an award or payments from the State of Oklahoma, Bidder must be registered. The Bidder registration process can be completed electronically through the website at the following link: <https://www.ok.gov/dcs/vendors/index.php>.
- A.11.4. It is the preference of the State to award to a single Bidder. However, the State reserves the right to award to multiple Bidders when it has been determined to be in the best interest of the State.

A.12. Contract Modification

- A.12.1. The Contract Documents issued as a result of this Solicitation is under the authority of the State personnel signing the Contract Documents. The Contract may be modified only through a written Amendment, signed by the State.
- A.12.2. Any change to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by OMES - ISD in writing, or that is made unilaterally by the Supplier, is a material breach of the Contract. Unless otherwise specified by applicable law or rules, such changes, including but not limited to any unauthorized written Amendment, shall be void and without effect, and the Supplier shall not be entitled to any claim under the Contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the Contract.

A.13. Delivery, Inspection and Acceptance

- A.13.1. All deliveries shall be F.O.B. Destination. The Supplier shall prepay all packaging, handling, shipping and delivery charges and prices quoted shall include all such charges. Any products delivered pursuant to this Contract shall be subject to final inspection and acceptance by the procuring entity at destination and the procuring entity has no responsibility for the delivered products prior to acceptance. Title and risk of loss or damage to all items shall be the responsibility of the Supplier until accepted. The Supplier shall be responsible for filing, processing, and collecting any and all damage claims accruing prior to acceptance. "Destination" shall mean delivered to the receiving dock or other point specified in the applicable purchase order.
- A.13.2. Supplier shall be required to deliver products as offered on or before the required date. Deviations, substitutions, or changes in the products shall not be made unless expressly authorized in writing by the State or Interlocal Entity, as applicable.

A.14. Invoicing and Payment

- A.14.1. Upon submission of an accurate and proper invoice, the invoice shall be paid in arrears after products have been delivered or services provided and in accordance with applicable law. Invoices shall contain the purchase order number, a description of the products delivered or services provided, and the dates of such delivery or provision of services.
- A.14.2. State Acquisitions are exempt from sales taxes and federal excise taxes.

A.15. Audit and Records Clause

- A.15.1. As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting any contract with the State, the Supplier agrees any pertinent state or federal agency shall have the right to examine and audit all records relevant to execution and performance of this Contract.

- A.15.2. The Supplier is required to retain records relative to this Contract for the duration of this Contract and for a period of seven (7) years following completion and/or termination of this Contract. If an audit, litigation, or other action involving such records is started before the end of the seven-year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

A.16. Non-Appropriation Clause

The terms of this Contract and any purchase order issued for multiple years under this Contract are contingent upon sufficient appropriations being made by the applicable state legislature, federal government or other appropriate government entity. Notwithstanding any language to the contrary in this Contract, or any other Contract Document, the State Entity or Interlocal Entity may terminate its obligations under this Contract if sufficient appropriations are not made by the Oklahoma Legislature, federal government or other appropriate governing entity to pay amounts that may become due under the terms of multiple year agreements in connection with this Contract. The decision as to whether sufficient appropriations are available shall be accepted by, and be final and binding on, the Supplier.

A.17. Choice of Law and Venue

- A.17.1. Any claims, disputes or litigation relating to the Contract Documents, singularly or in the aggregate, or the execution, interpretation, performance, or enforcement thereof shall be governed by the laws of the State of Oklahoma, or in the case of an Interlocal Entity, in the state in which the Interlocal Entity is located, without regard to application of choice of law principles.
- A.17.2. Venue for any action, claim, dispute, or litigation relating in any way to the Contract Documents shall be in Oklahoma County, Oklahoma, or in the case of an Interlocal Entity, as agreed to between such Interlocal Entity and Supplier or as otherwise provided by applicable law.

A.18. Termination for Cause

- A.18.1. The Supplier may terminate this Contract in whole or in part for default with both a thirty (30) day written request and upon written approval from the State. The State may terminate this Contract in whole or in part for default or any other just cause upon a thirty (30) day written notification to the Supplier.
- A.18.2. The State may terminate this Contract immediately, in whole or in part, without a thirty (30) day written notice to the Supplier, when violations are found to be an impediment to the function of the State and detrimental to the cause of a State Entity, when conditions preclude the thirty (30) day notice, or when the State determines that an administrative error occurred prior to Contract performance. Similarly, an Interlocal Entity may terminate its obligations to Supplier immediately upon any of the foregoing conditions in this subsection.
- A.18.3. If this Contract or certain obligations hereunder are terminated, the State, State Entity or Interlocal Entity, as applicable, shall be liable only for payment for products delivered and accepted and such termination shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law.

A.19. Termination for Convenience

- A.19.1. The State may terminate this Contract, in whole or in part, for convenience if the State Chief Information Officer determines that termination is in the State's best interest. The State shall terminate this Contract by delivering to the Supplier a notice of termination for convenience specifying the terms and effective date of termination. The Contract termination date shall be a minimum of sixty (60) days from the date the notice of termination is issued by the State. Similarly, an Interlocal Entity may terminate its obligations to Supplier upon a determination by the proper authority for such Interlocal Entity that termination is in the Interlocal Entity's best interest and notice of termination by such Interlocal Entity shall be provided in accordance with the foregoing requirements set forth in this subsection.
- A.19.2. If this Contract or certain obligations hereunder are terminated pursuant to this section, the State, State Entity, or Interlocal Entity, as applicable, shall be liable only for products delivered and accepted and such termination shall not be an exclusive remedy but shall be in addition to any other rights and remedies provided for by law.

A.20. Insurance

The Supplier shall maintain and promptly provide proof to the State of the following insurance coverage, and any renewals, additions or changes thereto, as long as the Supplier has any obligation under a Contract Document:

- a) Worker's Compensation and Employer's Liability Insurance in accordance with applicable law.
- b) Commercial General Liability Insurance on a per occurrence basis with limits of liability not less than \$1,000,000 per occurrence and aggregate combined single limit, Personal Injury, Bodily Injury and Property Damage;
- c) Automobile Liability Insurance with limits of liability of not less than \$1,000,000 per occurrence combined single limit including bodily injury and property damage and with coverage, if applicable, for all owned vehicles, all non-owned

vehicles, and all hired vehicles;

- d) Professional Errors and Omissions Insurance which shall include Consultant's Computer Errors and Omissions Coverage with limits not less than \$1,000,000 per claim and in the aggregate; and
- e) Additional coverage required by the State in writing in connection with a particular Acquisition.

A.21. Employment Relationship

This Contract does not create an employment relationship between the parties. Individuals performing services required by this Contract are not employees of the State, a State Entity or an Interlocal Entity and, accordingly, shall not be eligible for rights or benefits accruing to such employees including but not limited to health insurance benefits, workers' compensation insurance, paid vacation or other leave, or any other employee benefit.

A.22. Compliance with the Oklahoma Taxpayer and Citizen Protection Act of 2007

By submitting a Bid to this Solicitation, the Bidder certifies that it is registered and participates in the Status Verification System, available at www.dhs.gov/E-Verify, as required under applicable State law and is in compliance with applicable federal immigration laws and regulations. The Bidder agrees that compliance with the certification set forth in this section shall be a continuing obligation.

A.23. Compliance with Applicable Laws

- A.23.1. In connection with its performance of obligations under the terms of this Contract, the Bidder certifies compliance with and, if awarded the Contract pursuant to this Solicitation, shall continue to comply with all applicable federal, state, and local laws, rules, regulations, ordinances and orders, as amended, including but not limited to the following:
 - a) Drug-Free Workplace Act of 1988 and as implemented at 45 C.F.R. part 76, Subpart F;
 - b) If the payments pursuant to the Contract are expected to exceed \$100,000.00, Section 306 of the Clean Air Act, Section 508 of the Clean Water Act, Executive Order 11738, and Environmental Protection Agency Regulations which prohibit the use under nonexempt Federal contract, grant or loans of facilities included on the EPA List of Violating Facilities;
 - c) Prospective participant requirements set forth at 45 C.F.R. part 76 in connection with debarment, suspension and other responsibility matters;
 - d) 1964 Civil Rights Act, Title IX of the Education Amendment of 1972, Section 504 of the Rehabilitation Act of 1973 and Executive Orders 11246 and 11375, Americans with Disabilities Act of 1990;
 - e) For Persons entering into a grant or cooperative agreement over \$100,000.00 (as defined at 45 C.F.R. §93.105 and 93.110), Anti-Lobbying Law set forth at 31 U.S.C. §1325 and as implemented at 45 C.F.R. part 93;
 - f) Obtaining certified independent audits conducted in accordance with Government Auditing Standards and Office of Management and Budget Circular A-133 with approval and work paper examination rights of the applicable procuring entity; and
 - g) Be registered as a business entity licensed to do business in the State, (registration through the Oklahoma Secretary of State at <https://www.sos.ok.gov>), have obtained a sales tax permit and be current on franchise tax payments to the State, as applicable.
- A.23.2. The Supplier shall maintain all applicable licenses and permits required in association with its obligations hereunder.
- A.23.3. The Supplier shall inform its employees, agents and proposed subcontractors who perform services for the State under this Contract of the Supplier's obligations hereunder and shall require compliance accordingly. At the request of the State, Supplier shall promptly provide adequate evidence that such persons are its employees, agents or approved subcontractors and have been informed of their obligations hereunder.

A.24. Gratuities

The rights of Supplier under the terms of this Contract may be immediately terminated, in whole or in part, by written notice if it is determined that the Supplier, its employee, agent or another representative offered or gave a gratuity (e.g., an entertainment or gift) to any State or Interlocal Entity employee directly involved in this Contract. In addition, a Supplier determined to be guilty of such a violation may be suspended or debarred.

A.25. Preclusion from Resulting Contracts

Any Bidder that has provided any consulting services or technical assistance that resulted in any specifications or concepts in this Solicitation, either directly or indirectly, is precluded from being awarded the Contract and from securing a sub-contractor that has

provided such services.

A.26. Mutual Responsibilities

The State and Supplier agree that:

- A.26.1. Neither party grants the other the right to use any trademarks, trade names, or other designations in any promotion or publication without express written consent by the other party.
- A.26.2. This is a non-exclusive Contract and each party is free to enter into similar agreements with others.
- A.26.3. Each party grants the other only the licenses and rights specified in the Contract Document and all other rights and interests are expressly reserved.
- A.26.4. Except as otherwise set forth herein, where approval, acceptance, consent, or similar action by either party is required under this Contract, such action shall not be unreasonably delayed or withheld

A.27. Background Checks and Verifications

At the sole discretion of the State, State Entity or Interlocal Entity, as applicable, employees of the Supplier and any subcontractor of the Supplier may be subject to background checks. If background check information is requested, the Supplier must submit, or cause to be submitted, the required information in a timely manner and the Supplier's access to facilities, data and information may be withheld prior to completion of background verification acceptable to the State, State Entity or Interlocal Entity.

A.28. Confidentiality

- A.28.1. The Supplier shall maintain strict security of all State data and records entrusted to it or to which the Supplier gains access, in accordance with and subject to applicable federal and state laws, rules, regulations and policies and shall use any such data or records only as needed by Supplier for performance of its obligations hereunder. The Supplier further agrees to evidence such confidentiality obligation in a separate writing if required under such applicable federal or state laws, rules and regulations. If Supplier utilizes a permitted subcontractor, Supplier shall obtain specific written assurance, and provide a copy to the State, that the subcontractor shall maintain this same level of security of all data and records entrusted to or accessed by the subcontractor and agree to the same obligations as Supplier, to the extent applicable. Such written assurance may be set forth in the required subcontractor agreement referenced herein.
- A.28.2. No State data or records shall be provided or the contents thereof disclosed to a third party unless specifically authorized to do so in writing by the State CIO or in compliance with a valid court order. The Supplier shall immediately forward to the State and the State CIO any request by a third party for data or records in the possession of the Supplier or any subcontractor or to which the Supplier or subcontractor has access and Supplier shall fully cooperate with all efforts to protect the security and confidentiality of such data or records in response to a third party request.

A.29. Unauthorized Obligations

At no time during the performance of this Contract shall the Supplier have the authority to obligate any other party hereto for payment of any goods or services over and above those set forth in this Contract. If the need arises for goods or services over and above the products, Supplier shall cease the project and contact the appropriate procuring entity for written approval prior to proceeding.

A.30. Electronic and Information Technology Accessibility

Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards ("Standards") set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template ("VPAT") describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

All representations contained in the VPAT provided will be relied upon by the State for accessibility compliance purposes.

A.31. Patents and Copyrights

- A.31.1. Without exception, the products prices shall include all royalties or costs owed by the Supplier to any third party arising from the use of a patent or copyright.

- A.31.2. If a third party claims that any portion of the products provided by Supplier under the terms of this Contract infringes that party's patent or copyright, the Supplier shall defend the State against the claim at the Supplier's expense and pay all related costs, damages, and attorneys' fees incurred by, or assessed to, the State, provided the State (i) promptly notifies the Supplier in writing of the claim and (ii) to the extent authorized by the Attorney General of the State, allows the Supplier to control the defense and any related settlement negotiations. If the Attorney General of the State does not authorize sole control of the defense and settlement negotiations to Supplier, Supplier shall be granted authorization to equally participate in any proceeding related to this section but Supplier shall remain responsible to indemnify the State for all associated costs, damages and fees incurred by or assessed to the State.
- A.31.3. If such a claim is made or appears likely to be made, the Supplier shall enable the State to legally continue to use, or modify for use, the portion of products at issue or replace such potential infringing products with at least a functional non-infringing equivalent. If the Supplier determines that none of these alternatives is reasonably available, the State shall return such portion of the products at issue to the Supplier, upon written request, in exchange for a refund of the price paid for such returned goods as well as a refund, if applicable, of other products which are rendered materially unusable as intended due to removal of the portion of products at issue.
- A.31.4. Supplier has no obligation regarding a claim based on any of the following: (i) modification of a product by any party other than Supplier, its employee, agent, representative, permitted subcontractor, or any State employee acting in conjunction with the Supplier; (ii) a program's use in other than its specified operating environment; (iii) the combination, operation, or use of a product with other products not provided by Supplier as a system or (iv) infringement solely by a non-Supplier product that has not been provided to the State by, through or on behalf of the Supplier as opposed to its combination with products Supplier provides to or develops for the State as a system.

A.32. Assignment

Supplier's obligations under a Contract Document may not be assigned or transferred to any other person or entity without the prior written consent of the State which may be withheld in its sole discretion. Rights granted under the terms of this Contract may be assigned or transferred, at no additional cost, to other entities within the State.

A.33. Severability

If any provision for this contract shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this contract is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

A.34. Paragraph Headings

The headings used in this Contract are for convenience only and do not constitute part of the Contract.

A.35. Failure to Enforce

Failure by the State, as applicable, at any time to enforce a provision of, or exercise a right under, any Contract Document shall not be construed as a waiver of any such provision. Such failure to enforce or exercise shall not affect the validity of any Contract Document, or any part thereof, or the right of the State to enforce any provision of, or exercise any right under, a Contract Document at any time in accordance with its terms. Likewise, a waiver of a breach of any provision in a Contract Document shall not affect or waive a subsequent breach of the same provision or a breach of any other provision in a Contract Document.

A.36. Conflict of Interest

- A.36.1. Bidder must provide immediate disclosure of any contractual relationship or any other relevant contact with any State personnel or another Supplier involved in the development of a Bidder's response to this Solicitation. Any conflict of interest shall, at the sole discretion of the State, be grounds for rejection of the Bid or termination of project involvement.
- A.36.2. In addition to any requirement of law or through a professional code of ethics or conduct, the Supplier and the Supplier's employees performing services for the State are required to disclose any outside activity or interest that conflicts or may conflict with the best interest of the State. Further, without prior written approval of the State, such employees shall not plan, prepare, or engage in any activity that conflicts or may conflict with the best interest of the State as long as the Supplier has an obligation under this Contract. Prompt disclosure is required under this section if the activity or interest is related, directly or indirectly, to any person or entity currently under contract with or seeking to do business with the State, its employees or any other third-party individual or entity awarded a contract with the State.

A.37. Limitation of Liability

To the extent any limitation of liability in any Contract Document is construed by a court of competent jurisdiction to be a limitation of liability in violation of applicable law, such limitation of liability shall be void.

A.38. Media Ownership (Disk Drive and/or Memory Chip Ownership)

- A.38.1. In accordance with the State of Oklahoma Information Security Policy, Procedures, Guidelines set forth online at <http://www.ok.gov/cio/documents/InfoSecPPG.pdf> ("Electronic Media Retention Requirements"), any disk drives and memory cards purchased with or included for use in leased or purchased equipment under this Contract remain the property of the State.
- A.38.2. Personal Identification Information may be retained within electronic media devices and components; therefore, the State shall not allow the release of electronic media either between State Entities or for the resale of refurbished equipment that has been in use by State Entities, by the Supplier to the general public or other entities. Electronic Media Retention Requirements shall also be applied to replacement devices and components, whether purchased or leased, the Supplier may supply during the downtime (repair) of equipment purchased or leased through this Contract. If a device has to be removed from a location for repairs, the State shall have sole discretion, prior to removal, to determine and enforce sufficient safeguards (such as a record of hard drive serial numbers) to protect Personal Identification Information that may be stored within the hard drive or memory of the device.

A.39. Offshore Services

No offshore services are provided for under this Contract. State data shall not be used or accessed internationally, for troubleshooting or any other use not specifically provided for herein without prior written permission, which may be withheld in the State's sole discretion, from the appropriate authorized representative of the State.

A.40. Failure to Provide

The Supplier's repeated failure to provide defined services, without reasonable basis as determined in the sole discretion of the State CIO, shall constitute a material breach of the Supplier's obligations, which may result in partial or whole cancellation of the Contract.

A.41. Agency Policies

The Supplier's employees and/or sub-contractors must adhere to the applicable State policies including, but not limited to acceptable use of Internet and electronic mail, facility and data security, press releases, and public relations. It is up to the Supplier to review and relay State policies covering the above to the consulting staff.

A.42. Compliance with Technology Policies

The Supplier agrees to adhere to the State of Oklahoma "Information Security Policy, Procedures, and Guidelines" available at:

www.ok.gov/OSF/documents/StateOfOklahomaInfoSecPPG_osf_12012008.pdf

A.43. High Technology System Performance and Upgrades

- A.43.1. If an Acquisition pursuant to this Contract includes a "high technology system" as defined under Oklahoma law, the Supplier shall provide documentation of the projected schedule of recommended or required system upgrades or improvements to such system for the three (3) year period following the target purchase date. If Supplier does not plan such system upgrades or improvements, the Supplier shall provide documentation that no system upgrades or improvements to the high technology system are planned for the three (3) year period following the target purchase date.
- A.43.2. Any Acquisition pursuant to this Contract of an upgrade or enhancement to a high technology system shall be conditioned upon the Acquisition being provided at no charge to the State; the Acquisition being provided to the State at no additional charge pursuant to a previous agreement with the Supplier; the Supplier providing documentation that any required or recommended upgrade will enhance or is necessary for performance of the applicable State agency duties and responsibilities; or the Supplier providing documentation that it will no longer supply maintenance assistance to the applicable State agency and the applicable State agency documenting that the functions performed by the high technology system are necessary for performance of the State agency duties and responsibilities.

A.44. Emerging Technologies

The State of Oklahoma reserves the right to modify the terms of this Contract at any time to allow for technologies not identified in this Contract. If there are repeated requests for an "emerging technology" and the State feels it is warranted to add such technologies, the State reserves the right to include such technology hereunder or to issue an Amendment to this Contract.

A.45. Ownership Rights

- A.45.1. Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto. With respect to Utilities, the Supplier grants the State, for no additional consideration, a perpetual, irrevocable, royalty-free license, solely for the internal business use of the State, to use, copy, modify, display, perform, transmit and prepare derivative works of Utilities embodied in or delivered to the State in conjunction with the products.
- A.45.2. Except for any Utilities, all work performed by the Supplier of developing, modifying or customizing software and any related supporting documentation shall be considered as Work for Hire (as defined under the U.S. copyright laws) and, as such, shall be owned by and for the benefit of State.
- A.45.3. In the event that it should be determined that any portion of such software or related supporting documentation does not qualify as "Work Made for Hire", Supplier hereby irrevocably grants to the State, for no additional consideration, a non-exclusive, irrevocable, royalty-free license to use, copy, modify, display, perform, transmit and prepare derivative works of any such software and any Utilities embodied in or delivered to the State in conjunction with the products.
- A.45.4. Supplier shall assist the State and its agents, upon request, in preparing U.S. and foreign copyright, trademark, and/or patent applications covering software developed, modified or customized for the State. Supplier shall sign any such applications, upon request, and deliver them to the State. The State shall bear all expenses that incurred in connection with such copyright, trademark, and/or patent applications.
- A.45.5. If any Acquisition pursuant to this Contract is funded wholly or in part with federal funds, the source code and all associated software and related documentation owned by the State may be shared with other publicly funded agencies at the discretion of the State without permission from or additional compensation to the Supplier.
- A.45.6. It is understood and agreed that the Software is being developed by the Supplier for the sole and exclusive use of the State of Oklahoma. Moreover, except with regard to any deliverable based on Supplier's Utilities, the State of Oklahoma shall be deemed the sole and exclusive owner of all right, title, and interest therein, including all copyright and proprietary rights relating thereto.
- A.45.7. Except for any Utilities, all work performed by the Supplier of software and any supporting documentation therefore shall be considered as Works for Hire (as such are defined under the U.S. Copyright Laws) and, as such, shall be owned by and for the benefit of State of Oklahoma.

A.46. Source Code Escrow – Reference Title 62 O.S. § 34.31

If required under applicable Oklahoma law relating to customized computer software developed or modified exclusively for a State Entity, the Supplier shall have a continuing obligation to comply with such law and place the source code for such software and any modifications thereto into escrow with an independent third party escrow agent. Supplier shall pay all fees charged by the escrow agent and enter into an escrow agreement, the terms of which are subject to the prior written approval of the State, with the escrow agent including terms that provide the State receives ownership of all escrowed source code upon the occurrence of any of the following:

- a) A bona fide material default of the obligations of the Supplier under the agreement with the agency;
- b) An assignment by the Supplier for the benefit of its creditors;
- c) A failure by the Supplier to pay, or an admission by the Supplier of its inability to pay, its debts as they mature;
- d) The filing of a petition in bankruptcy by or against the Supplier when such petition is not dismissed within sixty (60) days of the filing date;
- e) The appointment of a receiver, liquidator or trustee appointed for any substantial part of the Supplier's property;
- f) The inability or unwillingness of the Supplier to provide the maintenance and support services in accordance with the agreement with the agency;
- g) The ceasing of a Supplier of maintenance and support of the software; or
- h) Such other condition as may be statutorily imposed by the future amendment or enactment of applicable Oklahoma law.

A.47. Right to Renegotiate

Prior to exercising the State's right to cancel this Contract, the State may renegotiate the Contract for the purpose of obtaining more favorable terms for the State, provided that the term of the Contract is not modified.

A.48. Used or New Products

Bidder shall offer new items of current design unless this Solicitation specifies used, reconditioned, or remanufactured products are acceptable. Warranties in both cases should be the same.

A.49. Publicity

The award of this Contract to Supplier is not in any way an endorsement by the State of Supplier or the products and shall not be so construed by Supplier in any advertising or publicity materials. Supplier agrees to submit to the State all advertising, sales promotion, and other publicity matters relating to this Contract wherein the State's name is mentioned or language used from which the connection of the State's name therewith may, in the State's judgment, be inferred or implied as an endorsement. Supplier further agrees not to publish or use such advertising, sales promotion, or publicity matter or release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning this Contract without obtaining the prior written approval of the State.

A.50. Mandatory and Non-Mandatory Terms

- A.50.1. Whenever the terms "shall", "must", "will", or "is required" are used in this Solicitation, the specification being referred to is a mandatory specification of this Solicitation. Failure to meet any mandatory specification may cause rejection of a Bid.
- A.50.2. Whenever the terms "can", "may", or "should" are used in this Solicitation, the specification being referred to is a desirable item and failure to provide any item so termed shall not be cause for rejection of a Bid.

A.51. Non Tobacco – Smoke Free

By order of the Governor's Executive Order 2012-01, effective August 06, 2012 the use of any tobacco product shall be prohibited on any and all properties owned, leased or contracted for use by the State of Oklahoma, including but not limited to all buildings, land and vehicles owned, leased or contracted for use by agencies or instrumentalities of the State of Oklahoma.

A.52. OMES - ISD / Agency Relationship

Pursuant to the Oklahoma Information Technology Consolidation and Coordination Act, OMES - ISD is the entity designated to purchase information technology assets on behalf of the State of Oklahoma. The Act directs OMES - ISD to acquire necessary hardware and software, and directs OMES - ISD to authorize the use of these assets by other State agencies. OMES - ISD, as the owner of information technology assets on behalf of the State of Oklahoma, allows other State agencies to use these assets while retaining ownership and the right to reassign them upon written notification to the Supplier.

A.53. Acceptance of Solicitation Content

Unless otherwise provided in Section One of the Bidder's response to this Solicitation, all Bids shall be firm representations that the responding Bidder has carefully investigated and will comply with all terms and conditions contained in this Solicitation. Upon award of any contract to the successful Bidder, the contents of this Solicitation, as may be amended by the Bid, shall become contractual obligations between the parties. Failure to provide all proposed Amendments to the terms and conditions contained in this Solicitation of the Bid may cause the Bid to be rejected from consideration for award.

A.54. Special Provisions

Special Provisions apply with the same force and effect as these General Provisions. However, conflicts or inconsistencies shall be resolved in favor of the Special Provisions.

B. SPECIAL PROVISIONS

B.1. Contract Term, Renewal and Extension Option

- B.1.1. The initial contract period shall begin on the effective date and shall extend through One (1) Year (the "Initial Term") unless renewed, extended, or terminated in accordance with applicable contract provisions. The Supplier shall not commence work, commit funds, incur costs, or in any way act to obligate the State until so notified in writing of the approval of the contract. The authorized State representative is the only individual who can transmit that approval to the Supplier.
- B.1.2. Under Oklahoma law, the State may not contract for a period longer than one (1) year (the "Initial Term"). By mutual consent of the parties hereto, it is intended that there shall be four (4) options to renew, subject to the terms and conditions set forth herein, each for duration of one (1) year.
- B.1.3. After the Initial Term, the Agreement may be renewed annually upon mutual written consent of the parties. Prior to each renewal, the State shall subjectively consider the value of this Contract to the State, the Supplier's performance under the Contract and shall review certain other factors, including but not limited to the a) terms and conditions of Contract Documents to determine validity with current State and other applicable statutes and rules; b) then current products pricing and price discounts offered by Supplier; and c) then current products and support offered by Supplier.
- B.1.4. If the State determines changes to a Contract Document are required as a condition precedent to renewal, the State and Supplier will cooperate in good faith to evidence such required changes in an Amendment.
- B.1.5. The State, at its sole option, may choose to exercise an extension for ninety (90) days beyond the final renewal option period, at the Contract pricing rate. If this option is exercised, the State shall notify the Supplier in writing prior to contract end date. The State, at its sole option, may choose to exercise subsequent ninety (90) day extensions, by mutual consent and at the Contract pricing rate, to facilitate the finalization of related terms and conditions of a new award or as needed for transition to a new Supplier.
- B.1.6. In the alternative, the State CIO reserves the right to extend any Contract awarded if it is determined to be in the best interest of the State.

B.2. Obligations of Permitted Subcontractor

- B.2.1. If the Supplier is permitted to utilize subcontractors in support of this Contract, the Supplier shall remain solely responsible for its obligations under the terms of this Contract and for its actions and omissions and those of its agents, employees and subcontractors. Any proposed subcontractor shall be identified by entity name and by employee name in the applicable proposal and shall include the nature of the services to be performed. Prior to a subcontractor being utilized by the Supplier in connection with provision of the products, the Supplier shall obtain written approval of the State of such subcontractor and each employee of such subcontractor proposed for use by the Supplier. Such approval is within the sole discretion of the State. As part of the approval request, the Supplier shall provide a copy of a written agreement executed by the Supplier and subcontractor setting forth that such potential subcontractor is bound by and agrees to perform the same covenants and be subject to the same conditions, and make identical certifications to the same facts and criteria, as the Supplier under the terms of all applicable Contract Documents. Supplier agrees that maintaining such agreement with any subcontractor and obtaining prior approval by the State of any subcontractor and associated employees shall be a continuing obligation. The State further reserves the right to revoke approval of a subcontractor or an employee thereof in instances of poor performance, misconduct or for other similar reasons.
- B.2.2. All payments for products shall be made directly to the Supplier. No payments shall be made to the Supplier for any services performed pursuant to this Contract by unapproved or disapproved employees of the Supplier or a subcontractor.

B.3. Warrants

Supplier warrants and represents that products or deliverables specified and furnished by or through the Supplier shall individually, and where specified by Supplier to perform as a system, be substantially uninterrupted and error-free in operation and guaranteed against faulty material and workmanship for a warranty period of a minimum of ninety (90) days from the date of acceptance or the maximum allowed by the manufacturer. Defects in products or deliverables specified and furnished by or through the Supplier shall be repaired or replaced by Supplier at no cost or expense to the State if such defect occurs during the warranty period.

B.4. Manufacturer Accessibility VPAT Website

The Supplier may provide a URL link for a website maintained by the Supplier or product manufacturer which provides VPAT's for all products offered through the Contract.

B.5. Commercial Off-The-Shelf (Cots) Software

In the event that Supplier specifies terms and conditions or clauses in an electronic license agreement notice that conflict with the terms of this Contract, the additional terms and conditions or conflicting clauses shall not be binding on the State and the provisions of this Contract shall prevail.

B.6. Supplier Services

The State of Oklahoma shall not guarantee any minimum or maximum amount of the Supplier services that may be required under this Contract.

C. SOLICITATION SPECIFICATIONS

C.1. Overview

The State of Oklahoma Office of Management and Enterprise Services (OMES) Information Services Division (ISD) on behalf of The Oklahoma Department of Public Safety (DPS), is seeking bids for a proven successful implemented software as a services (SaaS) for card magnetic stripe reader solution that includes 20 portable hardware units with option to purchase additional units - Indefinite Quantity, software and licenses, maintenance and support services, and training necessary to provide a fully functional solution that allow Law Enforcement to read and manage data (seize, freeze or return funds) from cards with magnetic stripes containing account numbers and cash balances at the time of contact.

C.2. Mandatory Specification/Requirements

Mandatory requirements are the minimum capabilities, features, and/or technical standards that must be met by the proposed solution to be determined responsive. The Bidder shall clearly state their ability to meet the Minimum System (technical) requirements and will state how the requirements will be met, what assurances of success the proposed approach will provide. The solution must have the ability to be mounted inside a Law Enforcement cruiser (i.e. Dodge charger, Crown Victoria, etc.)

C.2.1. Technical Specifications

C.2.1.1. The solution shall have the ability to read cards at the point of stop and provide the trooper with information contained on magnetic stripe such as:

- a. name (if any recorded in stripe),
- b. cash balance,
- c. banking information (account number, routing number).
- d. ability to capture the identity of the trooper who runs the card.
- e. ability to produce reports on individual and aggregate activity of trooper(s).

C.2.1.2. The solution shall have the ability to place identified funds on hold for further investigation.

C.2.1.3. The solution shall have the ability to freeze or seize the funds at stop if sufficient evidence is available.

C.2.1.4. The bidder shall describe the process for all scenarios:

- a. Balance Inquiry
- b. Freeze
- c. Seize
- d. Return

C.2.1.5. The solution must be compatible with DPS Network on initial activation through transmission to Service Provider.

C.2.1.6. The bidder shall describe in general the data routing process.

C.2.1.7. The solution shall provide 4" wide receipt printing capabilities (Troops have in –car printers that only allow 4" continuous roll tape)

C.2.2. Maintenance and Support Plan

C.2.2.1. Provider shall provide a detailed Help desk description of their technical support options

C.2.2.2. Identification of and contact information (name; title; address; telephone and fax numbers; and e-mail address) for progressively higher levels that would become involved in resolving a problem.

C.2.2.3. Provider shall list the frequency of product upgrades are optional or mandatory, and patches made to current platform.

- a. The provider shall notify the DPS personnel 2 weeks before any updates and maintenance.
- b. The provider must inform DPS personnel if any updates and maintenance is going to be more than 2 hours.

C.2.3. Training Plan

The proposed solution must include a description of the recommended training required to have a full, working knowledge of the system.

C.2.3.1. The proposed training environment, for example on-site, web, video, or other.

C.2.3.2. Bidder will identify which personnel should be included in the training.

C.2.3.3. The maximum number that can attend the training.

C.2.4. Disaster Recovery Plan

The Provider shall develop a Disaster Recovery Plan that addresses the following:

The Disaster Recovery Plan shall describe the successful provider's approach that will be used to guide the preparation for and delivery of necessary disaster services in response to any disaster requiring extraordinary services response.

The Plan will identify resources involved in contingency operations, problem management and escalation procedures. Any changes to content must be approved by the state in advance.

The Disaster Recovery Plan shall include the actions and proposed approach the provider would take under the following scenarios:

- a. System goes down completely at provider's network or DPS.
- b. During the scheduled maintenance of the provider.
- c. Any outage due to physical or natural disaster damage at the provider's system.

C.3. Non Mandatory Specification/Requirements

Non-Mandatory requirements are considered added-value. Bidder should provide detailed information for additional features/functions listed, describe how each of these items will be provided or accomplished. Bidder's response must state if the feature/function is available or unavailable and include any associated cost. Bidder should provide examples, samples, and or screenshots as applicable to the proposed solution.

C.3.1. The bidder may include investigating tool capable of analyzing data on magnetic stripe and store until retrieved and printed at Headquarters.

D. EVALUATION

D.1. Evaluation and Award

- D.1.1. Bids shall be evaluated on the “best value” determination.
- D.1.2. The State reserves the right to request demonstrations and clarifications from any or all-responding Bidders.

D.2. Proposal Clarification Questions

The State reserves the right, at its sole discretion, to request clarifications of technical Bids or to conduct discussions for the purpose of clarification with any or all Bidders. The purpose of any such discussions shall be to ensure full understanding of the Bid. If clarifications are made because of such discussion, the Bidder(s) shall put such clarifications in writing. The clarification shall not alter or supplement the Bid.

D.3. Competitive Negotiations of Offers

The State reserves the right to negotiate with one, selected, all or none of the Bidders responding to this Solicitation to obtain the best value for the State. Negotiations could entail discussions on products, services, pricing, contract terminology or any other issue material to an award decision or that may mitigate the State's risks. The State shall consider all issues negotiable and will not be artificially constrained by internal corporate policies. Negotiation may be with one or more Bidders, for any and all items in the Bid.

Firms that contend that they lack flexibility because of their corporate policy on a particular negotiation item shall face a significant disadvantage and may not be considered. If such negotiations are conducted, the following conditions shall apply:

- D.3.1. Negotiations may be conducted in person, in writing, or by telephone.
- D.3.2. Negotiations shall only be conducted with potentially acceptable Bids. The State reserves the right to limit negotiations to those Bids that received the highest rankings during the initial evaluation phase.
- D.3.3. Terms, conditions, prices, methodology, or other features of the Bid may be subject to negotiations and subsequent revision. As part of the negotiations, the Bidder may be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the Bid.
- D.3.4. The requirements of this Solicitation shall not be negotiable and shall remain unchanged unless the State determines that a change in such requirements is in the best interest of the State Of Oklahoma.
- D.3.5. BEST and FINAL – The State may request best and final Bids if deemed necessary, and shall determine the scope and subject of any best and final request. However, the Bidder should not expect an opportunity to strengthen its Bid and should submit its best Bid based on the terms and condition set forth in this solicitation.

D.4. Selection Criteria

Note: Accessibility is required to be a part of the selection criteria.

- D.4.1. Technical Requirements
- D.4.2. Maintenance & Support
- D.4.3. Training Plan
- D.4.4. Disaster Recovery Plan
- D.4.5. References
- D.4.6. Cost

D.5. Evaluation Process

D.5.1. Determination of Solicitation Responsiveness

A responsive Bid is a Bid that meets all the following Solicitation requirements:

- Responding Bidder Information Sheet complete Form 076
- Certification for Competitive Bid and Contract (Non-Collusion Certification) Form 004
- VPAT
- Amendments, if issued, are acknowledged.

Meeting all requirements outlined above allows the offer to proceed in the evaluation process. Failure to meet all of the above may result in the proposal being disqualified from further evaluation.

Note: The following evaluation process is not presented in any sequence as any selection process may overlap the other in the evaluation.

D.5.2. Evaluation of Bid

The technical section of the Bid is evaluated based on the Solicitation specifications.

D.5.3. Evaluation of Cost

Cost comparisons are performed.

D.5.4. Demonstrations

If desired by the evaluation committee, the Bidder may be required to provide product/services demonstrations.

D.5.5. Best Value Evaluation of Product/Services

The award of Contract pursuant to this Solicitation to a Bidder is based upon which Bidder best meets the needs of the State.

The State reserves the right to negotiate with one or more Bidders, at any point during the evaluation and may negotiate any and all content of the Bid.

D.5.6. Each Bidder should be prepared to participate in oral presentations and demonstrations to define the Bid, to introduce the Bidder's team, and to respond to any and all questions regarding the Bid if requested by the State prior to award.

E. INSTRUCTIONS TO BIDDER

E.1. Introduction

Prospective Bidders are urged to read this Solicitation carefully. Failure to do so shall be at the Bidder's risk. Provisions, terms, and conditions may be stated or phrased differently than in previous solicitations. Irrespective of past interpretations, practices or customs, Bids shall be evaluated and any resultant contract(s) shall be administered in accordance with the plain meaning of the contents hereof. The Bidder is cautioned that the requirements of this Solicitation can be altered only by written Amendment approved by the State and that verbal communications from whatever source are of no effect. In no event shall the Bidder's failure to read and understand any term or condition in this Solicitation constitute grounds for a claim after award of the Contract.

E.2. Preparation of Bid

- E.2.1. Any usage amounts specified are estimates only and are not guaranteed to be purchased.
- E.2.2. Information shall be entered on the form provided or a copy thereof.

E.3. Submission of Bid

- E.3.1. All Bids must be submitted to OMES – ISD to the attention of the Procurement Specialist as identified on the front page of this Solicitation. It is the Bidder's sole responsibility to submit information in the Bid as requested by this Solicitation. The Bidder's failure to submit required information may cause its Bid to be rejected.
- E.3.2. The Bid should be paginated and indexed in alpha order with reference to specific sections of this Solicitation. All Bids shall be legibly written or typed. Any corrections to Bids shall be initialed. Penciled Bids and penciled corrections shall not be accepted and shall be rejected as non-responsive. Unnecessarily elaborate brochures or other presentations beyond those necessary to present a complete and effective Bid are not desired.
- E.3.3. Each Bidder must submit one (1) original hard-copy of the Bid and one (1) duplicate copies for a total of two (2) hard-copy documents. In addition, each Bidder must submit one (1) and one (1) copies of the Bid on CD, DVD, or thumb drive for a total of two (2) electronic documents in a "machine readable" format. One (1) CD, DVD, or thumb drive shall be marked as the original and will be considered the official response in evaluating responses for scoring, Open Records Requests, and protest resolution. Each Bid must be submitted in a single sealed envelope, package, or container.
- E.3.4. All information relating to price/costs are to be sent in a separate binder/envelope, on a separate CD, DVD, or thumb drive clearly marked as "Price/Cost".
- E.3.5. The name and address of the Bidder shall be inserted in the upper left corner of the single sealed envelope, package, or container. The solicitation number and solicitation response due date and time must appear on the face of the single envelope, package, or container.
- E.3.6. Bids shall be in strict conformity with the instructions to Bidder, and shall be submitted with a completed "Responding Bidder Information" OMES Form 076, and any other forms completed as required by this Solicitation.
- E.3.7. The required certification statement, "Certification for Competitive Bid and/or Contract (Non-Collusion Certification)", OMES Form 004, must be made out in the name of the Bidder and must be properly executed by an authorized person, with full knowledge and acceptance of all its provisions.
- E.3.8. All Bids submitted shall be consistent with the Oklahoma Central Purchasing Act and associated Rules and subject to the Information Services Act and other statutory laws and regulations as applicable.
- E.3.9. By submitting a Bid, Bidder agrees not to make any claims for damages or have any rights to damages, because of any misunderstanding or misrepresentation of the specifications or because of any misinformation or lack information.
- E.3.10. If a Bidder fails to notify the State of an error, ambiguity, conflict, discrepancy, omission or other error in this Solicitation, known to the Bidder, or an error that reasonably should have been known by the Bidder, the Bidder shall submit a Bid at its own risk; and if awarded the Contract, the Bidder shall not be entitled to additional compensation, relief, or time by reason of the error or its later correction. If a Bidder takes exception to any requirement or specification contained in this Solicitation, these exceptions must be clearly and prominently stated in the Bid.
- E.3.11. Bidders should note that this Solicitation reflects changes in the existing operation to increase efficiencies and streamline business environments in the State of Oklahoma. All previous solicitations or resultant contracts should not be either depended upon, perceived or interpreted to have any relevance to this Solicitation.

E.4. Bid Change

If the Bidder needs to change a Bid prior to the Solicitation Closing Date and Time, a new Bid shall be submitted to the State with the following statement: "This Bid supersedes the Bid previously submitted" in a single envelope, package, or container and shall be

sealed. The name and address of the Bidder shall be inserted in the upper left corner of the single envelope, package, or container. Solicitation number and solicitation closing date and time must appear on the face of the single envelope, package, or container.

E.5. Solicitation Amendments

- E.5.1. If an "Amendment of Solicitation", OMES Form 011 (or other format as provided), is issued, then the Bidder shall acknowledge agreement with each such Amendment of Solicitation by signing and returning the Solicitation Amendment. An executed Amendment may be submitted with the Bid or may be forwarded separately. If forwarded separately, the executed Amendment must contain this Solicitation number and Closing Date and Time on the front of the envelope. The State must receive the executed Amendment by the Closing Date and Time specified for receipt of bids for the Bid to be deemed responsive. Failure to agree to a Solicitation Amendment may be grounds for rejection.
- E.5.2. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this Solicitation. All Amendments to this Solicitation shall be made in writing by the State.
- E.5.3. It is the Bidder's responsibility to check the State's website frequently for any possible Amendments to this Solicitation that may be issued. The State is not responsible for the Bidder's failure to download any amendment documents required to complete its Bid.

E.6. Proprietary and/or Confidential

- E.6.1. Unless otherwise specified in the Oklahoma Open Records Act, Central Purchasing Act, or other applicable law, documents and information a Bidder submits as part of or in connection with a Bid are public records and subject to disclosure. If a Bidder claims any portion of its Bid as financial or proprietary confidential information, the Bidder must specifically identify what documents or portions of documents are considered confidential and identify applicable law supporting the claim of confidentiality. In addition, the Bidder shall submit the information separate and apart from the Bid and mark it Financial or Proprietary and Confidential. Pursuant to the Oklahoma State Finance Act, the State CIO shall make the final decision as to whether the separately submitted information is confidential.
- E.6.2. If the State CIO does not acknowledge the information as confidential, OMES – ISD will return or destroy the information with proper notice to the Bidder and the information will not be considered in the evaluation. A Bid marked, in total, as financial or proprietary and/or Confidential shall not be considered.

E.7. Oklahoma Open Records Act

Bids are subject to public disclosure in accordance with the Oklahoma Open Records Act. To the extent permitted by such Act, the Bid will not be disclosed, except for purposes of evaluation, prior to approval by the State CIO of the awarded Contract. All material submitted becomes the property of the State. Bids will not be considered confidential after award of the Contract except that information in the Bid determined to be confidential by the State CIO shall continue to be considered confidential.

E.8. Communications Concerning Solicitation

The procurement specialist listed on the cover page of this solicitation is the only individual in which the Bidder should be in contact with concerning any issues with this solicitation. Failure to comply with this requirement may result in the Bid being considered non-responsive and not considered for further evaluation.

E.9. Administrative Review

- E.9.1. Bidders who believe solicitation requirements or specifications are unnecessarily restrictive or limit competition may submit a request for administrative review, in writing, to the procurement specialist listed herein. To be considered a request for review must be received no later than 3:00 P.M. Central Time on November 05, 2015. The State shall promptly respond in writing to each written review request, and where appropriate, issue all revisions, substitutions or clarifications through a written amendment to this Solicitation. Requests for administrative review of technical or contractual requirements shall include the reason for the request, supported by information, and any proposed changes to the requirements.

E.10. General Solicitation Questions

Bidder may submit general questions concerning the specifications of this Solicitation. All questions and answers regarding this Solicitation shall be posted to the IT procurement wiki at:

<https://wiki.ok.gov/display/itprocurement/5850000475>

- E.10.1. Questions received via any other means will not be addressed. To register with the State of Oklahoma for wiki access, please follow the link below to request access.

<https://wiki.ok.gov/display/itprocurement/Home>

- E.10.2. In order to guarantee that wiki access is created prior to closing date for submitting questions for a solicitation, please request access at least five (5) business days prior to the closing date for questions. The State of Oklahoma cannot be responsible for a Bidder's lack of access if the request is not made within this timeline.
- E.10.3. When posing questions, every effort should be made to:
- a) be concise
 - b) include section references, when possible; and
 - c) avoid use of tables or special formatting (use simple lists).
- E.10.4. These questions shall be answered directly on the wiki and in the form of an amendment and posted on the OMES - ISD website and linked on the wiki. Bidders are advised that any questions received after 3:00 P.M. Central Time on December 01, 2015 shall not be answered.

E.11. P-Cards

The State of Oklahoma has issued payment cards to most State agencies. The current P-Card contract holder utilizes VISA.

If awarded a contract, will your company accept the State of Oklahoma approved purchase card:

Yes No (check one)

E.12. Electronic Funds Transfer (EFT)

The State of Oklahoma passed legislation in 2012 requiring funds disbursed from the State Treasury be sent electronically.

If awarded a contract will your company accept payment for invoices from the State by EFT:

Yes No (check one)

E.13. Bid Deliverables

Hard copy Bids should be bound, tabbed by section, and clearly marked as Original or Copy.

Note: Bid deliverables are to be submitted in both hard copy and electronic copy on CD, DVD, or thumb drive machine-readable format.

E.13.1. Section One – Introduction

- a) Letter of Introduction
- b) Completed "Responding Bidder Information" OMES Form 076.
- c) Completed "Certification for Competitive Bid and Contract" OMES Form 004.
- d) Signed Amendment(s), if any.
- e) Any exceptions to solicitation terms and conditions.

E.13.2. Section Two – References

References provided must contain a contact person with full contact information (i.e., current employer, telephone number, mailing address, e-mail address, and fax number). Failure of a reference provided by the Bidder to respond within 48 hours to inquiries made by DPS whether by e-mail, telephone, or fax may deem the Bidder's response to this solicitation as non-responsive.

E.13.2.1. Bidder shall provide three (3) references for magnetic card reader solution installed and currently operational in United States.

E.13.3. Section Three – Company Information

Bidder must provide detailed information on its company, including principals involved, number of employees, location, years in existence, a statement of financial stability, and any litigation or pending litigation for the past five years, or a statement indicating there is no litigation activity to report.

E.13.4. Section Four – Response to Specifications/Requirements

Provide detailed response to specifications/requirements in Section C & E of this Solicitation.

E.13.5. Section Five – EITA Compliance

Provide adequate information defining your products level of EITA compliance by providing a Voluntary Product Accessibility Template (VPAT) that indicates compliance of all products offered with the provisions of Section 508 of the Rehabilitation Act Amendments included in the Workforce Investment Act of 1998. Please complete the VPAT & Accessibility - OMES Form that is applicable. Attached for reference is the VPAT Instructions Template.

Supplier may provide a URL link to a website providing VPAT for products deliverables through resulting Contract.

E.13.6. Section Six – Bidder Agreements

Bidder shall provide any required software licenses, maintenance, service agreements and any other similar applicable agreements.

Note: Any such agreements the Bidder requires, should it be the awardee of the Contract, not submitted with Bidder's original Bid shall not be considered

E.13.7. Pricing

All information relating to costs are to be sent in a separate binder/envelope, on a separate CD, DVD, or thumb drive clearly marked as "Price/Cost."

E.14. Awardee Financial Status

Prior to award the State may choose to request information from the Bidder to demonstrate its financial status and performance, in the form of the last three years audited financial statements or the last three years of tax returns. A certified review may be accepted (clarification may be required). If the Bidder is a subsidiary of another entity, the last three years audited financial statements of three years tax returns for the parent company must also be submitted. The State reserves the right to withhold award to a Bidder who is deemed financially weak. The State reserves the right to determine financial status at its sole discretion.

Clarification or additional documents may be requested.

E.15. Notice of Award

A notice of award in the form of a purchase order or other Contract Documents resulting from this Solicitation shall be furnished to the successful Bidder and shall result in a binding Contract.

F. PRICE AND COST

Supplier must submit the price of their proposal in the following format:

F.1. The pricing of the initial set up and renewal options

Description	Cost
Initial set up	
Hardware	
Software License	
Installation	
Maintenance and support	
Training	
Total	\$

Description	Year 1 renewal option	Year 2 renewal option	Year 3 renewal option	Year 4 renewal option
Software License	\$	\$	\$	\$
Maintenance and support	\$	\$	\$	\$

F.2. The transaction cost

Transaction per Month	Per Transaction Fee
0-200	\$
201-400	\$
401-600	\$
601-plus	\$

F.3. The Completed forfeiture transaction cases once the funds are awarded to the state by the court.

Amount Forfeited	% fee
\$0-\$500	
\$501-\$1000	
\$1000-\$10000	
\$10001-\$50000	
\$50001-\$100000	
\$100001+	
Total	

G. CHECKLIST



Date of Issuance: 11/23/2015
Requisition No. 5850002716

Solicitation No. 5850000475
Amendment No. 1

Hour and date specified for receipt of offers is changed: No Yes, to: _____ 3:00 PM CST/CDT

Pursuant to OAC 580:16-7-30(d), this document shall serve as official notice of amendment to the Solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent.

Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment prior to the hour and date specified in the solicitation as follows:

- (1) Sign and return a copy of this amendment with the solicitation response being submitted; or,
- (2) If the supplier has already submitted a response, this acknowledgement must be signed and returned prior to the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date printed clearly on the front of the envelope.

ISSUED BY and RETURN TO:

U.S. Postal Delivery or Personal or Common Carrier Delivery:

Office of Management and Enterprise Services
ATTN: Cini Zacharia
5005 N. Lincoln Blvd. Suite 200
Oklahoma City, OK 73105

Cini Zacharia
Contracting Officer

Cini.zacharia@omes.ok.gov
E-Mail Address

Description of Amendment:

a. This is to incorporate the following:

A.26.2 This is a non-exclusive Contract and each party is free to enter into similar agreements with others.

Question: We feel that there are two justifications for this solicitation to be exclusive. Based on the two points below we request that 26.2 be omitted from the Solicitation

1. *Interoperability and the logistics of data access and data sharing to facilitate case analysis is compromised if a multi-provider solution is made available. In addition to the core functionality of the program, that is to secure a balance, freeze that balance and ultimately seize that balance is only part of the anti-money laundering advantage available to Oklahoma Law Enforcement. Having access to aggregated Oklahoma Law Enforcement data is an important aspect of the program as usage of prepaid access devices continues to grow as the preferred cash transport methodology of criminals. Having one provider allows Oklahoma Law Enforcement agencies a single portal, which will provide an important statewide understanding of criminal activity. With multiple providers, there is not a way to provide interoperability between systems.*
2. *The process requested in Solicitation 5850000475 is protected by our US Patent (8,881,976). We believe that any provider other than ERAD Group, Inc. would be in violation of this patent, unless they received a license, of which we have not done.*

Re: see below

Description of Amendment - continuing

A.30. Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards ("Standards") set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template ("VPAT") describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

Question: The technology requested in the Solicitation is available only to members of various Oklahoma Law Enforcement, and not the general population. The ERAD process is built upon the same accessibility requirements resident within the global payments platforms and change to platforms or networks is not possible. As such, we request that requirement A.30 be omitted from Solicitation 5850000475.

Re: see below

A.45.1 Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto.

Question: The technology being provided is built upon the global payments arena and provided to Oklahoma as Software As A Service (SAAS) for law enforcement agencies and departments only. None of the technology or processes that would be used to provide the services of this Solicitation will be developed for, or provided exclusively to Oklahoma. In addition, there is no transfer of any ownership, nor is any work considered "work for hire" or any software be conveyed as part of the services requested within this Solicitation. ERAD ownership includes but not limited to the patent (8,8881,976), the ERAD intellectual property, and processing methodology, ERAD Group, Inc. is the sole and exclusive owner of all right, title and interest therein and includes all process and information. As such, we request that all of the elements within sections 45.1 through 45.7 be omitted from the solicitation.

Re: We do not want to limit the scope of the solicitation for all possible bidders at this time through an amendment. . Therefore, we do not agree to the Vendor's request to omit Sections A.26.2, A.30., and A.45.1. To the extent an intent to award is offered. We are more than happy to readdress these issues. However, while we are happy to readdress these issues and any other exceptions, this ovation does not amount to the foregone conclusion we will accept the Vendor's exceptions, only that we will revisit them.

Description of Amendment - continuing

C.1 provide a fully functional solution that allow Law Enforcement to read and manage data (seize, freeze or return funds) from cards with magnetic stripes containing account numbers and cash balances at the time of contact.

C.2.1.1.c banking information (account number, routing number).

***Question:** The ERAD process is a fully functional system that provides the services requested in C.1 regarding cash balances on prepaid access devices (referred to as debit cards). The prepaid access device networks do not provide banking information such as bank account number or routing number. For example, many of the prepaid access devices law enforcement will find are a gift cards, and purchased with cash. As such, we request that C.2.1 be omitted from the Solicitation.*

Additional information regarding each prepaid access card is available via subpoena sent directly to the issuing financial institution, of which ERAD will assist whenever asked.

Re: In retrospect the Vendor's comments sound reasonable. Would assume all gift type cards composition is universal. The point is well taken and should have been considered some information requires a subpoena. Therefore DPS has no objection to removing C.2.1.1.c

C.2.2.1 The solution shall provide 4" wide receipt printing capabilities (Troops have in --car printers that only allow 4" continuous roll tape).

***Question:** The terminal solution, VeriFone VX-680 wireless, handheld card reader only accommodates a standard 2" wide receipt paper, which is the standard in the payments industry. This VeriFone terminal is unable to be changed to a 4" wide tape. The ERAD virtual terminal, available as part of the solution includes a print feature that to date, has not been requested. ERAD believes that this print feature would require material changes to their production process and such modification for DPS law enforcement could not be provided by ERAD. ERAD would be pleased to engage in testing the process with to determine the methodology best suited for DPS to accomplish this requirement. As such, ERAD requests that this element, C.2.2.1 be omitted from the Solicitation.*

Re: It appears the number C.2.2.1 refers to maintenance and support and not the print tape (C.2.1.7.) as referred to in the question. The solution shall provide a receipt printing capability. DPS does not want to modify any ones system. In other words, DPS wants strictly an off the shelf solution.

Description of Amendment - continuing

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b. All other terms and conditions remain unchanged.

_____ Supplier Company Name (PRINT)	_____ Date
---	---------------

_____ Authorized Representative Name (PRINT)	_____ Title	_____ Authorized Representative Signature
--	----------------	--



ERAD Group, Inc.

T. Jack Williams
President

6 December 2015

I hereby certify that ERAD Group, Inc. is exempt from the Workers Compensation Act as a Texas Corporation.

T. Jack Williams

8528 Davis Blvd, Suite 134-343
Fort Worth, Texas 76182

Office: 817.576.3655
Office: 571.207.3723
www.erad-group.com
sales@erad-group.com

Skype: [tjackwilliams](https://www.skype.com/people/tjackwilliams)
Email: jack.williams@erad-group.com
Mobile: 502.609.0109



**State of Oklahoma
Office of Management and
Enterprise Services
Information Services Division**

Responding Bidder Information

*"Certification for Competitive Bid and Contract" **MUST** be submitted along with the response to the Solicitation.*

1. **RE: Solicitation #** 5850000475

2. **Bidder General Information:**

FEI / SSN: 46-4416122 VEN ID (if unknown, leave it blank): _____

Company Name: _____

3. **Bidder Contact Information:**

Address: 8528 Davis Blvd, Suite 134-343

City: Fort Worth State: Texas Zip Code: 76182

Contact Name: _____

Contact Title: Chief Operating Officer

Phone #: _____ FAX#: _____

Email: steve.beckerman@erad-group.com Website: _____

4. **Oklahoma Sales Tax Permit¹:**

YES – Permit #: _____

NO - Exempt pursuant to Oklahoma Laws or Rules

5. **Registration with the Oklahoma Secretary of State:**

YES – Filing Number: 2312530555

NO - Prior to the contract award, the successful bidder will be required to register with the Secretary of State or must attach a signed statement that provides specific details supporting the exemption the supplier is claiming (www.sos.ok.gov or 405-521-3911).

6. **Workers' Compensation Insurance Coverage:**

Bidder is required to provide with the bid a certificate of insurance showing proof of compliance with the Oklahoma Workers' Compensation Act.

YES – include a certificate of insurance with the bid

NO – attach a signed statement that provides specific details supporting the exemption you are claiming from the Workers' Compensation Act (Note: Pursuant to Attorney General Opinion #07-8, the exemption from 85 O.S. 2001, § 2.6 applies only to employers who are natural persons, such as sole proprietors, and does not apply to employers who are entities created by law, including but not limited to corporations, partnerships and limited liability companies.)²

Steven
Becker
man

Digitally signed by Steven Beckerman
DN: cn = Steven Beckerman, c = US, o = ERAD Group, Inc.
Date: 2015.11.19 11:39:24 -0400

Authorized Signature

11/19/2015

Date

Steven Beckerman

Printed Name

Chief Operating Officer

Title

¹ For frequently asked questions concerning Oklahoma Sales Tax Permit, see <http://www.tax.ok.gov/faq/faqbussales.html>

² For frequently asked questions concerning Workers' Compensation Insurance, see

http://www.ok.gov/oid/Consumers/Workers'_Compensation/index.html



**State of Oklahoma
Office of Management and Enterprise Services
Central Purchasing Division**

**Certification for Competitive
Bid and/or Contract
(Non-Collusion Certification)**

NOTE: A certification shall be included with any competitive bid and/or contract exceeding \$5,000.00 submitted to the State for goods or services.

Solicitation or Purchase Order #: 580000475

Supplier Legal Name: ERAD Group, Inc.

SECTION I [74 O.S. § 85.22]:

A. For purposes of competitive bid,

1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
 - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
 - b. to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
 - c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract, nor
 - d. to any collusion with any state agency or political subdivision official or employee as to create a sole-source acquisition in contradiction to Section 85.45j.1 of this title.

B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

SECTION II [74 O.S. § 85.42]:

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

the competitive bid attached herewith and contract, if awarded to said supplier;

OR

the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

Steven
Becker
man

Digitally signed by Steven Beckerman
DN: CN = Steven Beckerman, C = US, O = ERAD Group, Inc.
Date: 2015.11.19 11:38:48 -0400

Supplier Authorized Signature

Steven Beckerman

Printed Name

727-781-7308

Phone Number

727-498-2984

Fax Number

11/19/2015

Certified This Date

Chief Operating Officer

Title

steve.beckerman@erad-group.com

Email



Vendor/Payee Form

Agency: OMES Vendor Management requires the following information for all new non-registered vendors (payees) before payments may be processed. Information is used to establish the payee in the State's PeopleSoft vendor file for payment and procurement activities.

DO NOT use this form for:

- > **Garnishment Payees:** Use OMES Form OSF_GARNVEND located at: http://www.ok.gov/OSF/documents/osf_garnvend.pdf.
- > **State Employees:** Use OMES FORM ADD/CHANGES FOR EMPLOYEES/BOARD MEMBERS located at: http://www.ok.gov/OSF/documents/ap_emp_vend.pdf.
- > **Vendors pending contract award** to a solicitation released by the division of Central Purchasing or another Oklahoma state agency **MUST** first register online with the state unless exempt per statute. For additional information, please refer to Central Purchasing Vendor Registration located at: http://www.ok.gov/DCS/Central_Purchasing/Vendor_Registration/Index.html.

AGENCY SECTION (To be completed by state agency representative):

State agency should email completed and signed form to vendor.form@omes.ok.gov or fax to 405-522-3663.

Agency Name		Contact Name	
Phone #	Fax #	Email	steve.beckerman@erad-group.com
Agency Request To – Please select all applicable request types			
<input type="checkbox"/> Add New Vendor	<input type="checkbox"/> Update Existing Vendor	PeopleSoft 10-digit Vendor ID	_____
<input type="checkbox"/> Add New Address	<input type="checkbox"/> Change Address/Location	PeopleSoft Address #	_____ PeopleSoft Location # _____
<input type="checkbox"/> Change Vendor Tax ID	<input type="checkbox"/> Change Vendor Name	<input type="checkbox"/> Add Alternate Payee Name	PeopleSoft Location # _____
<input type="checkbox"/> Other	Explain _____		
Vendor 1099 Reportable Status	Attention Paying Agency: Please check the Add box on the left if payments to this vendor/payee are represented by Account Codes listed on page 3 of this form. If the vendor is incorrectly showing as 1099 Reportable, check the Remove box. The PeopleSoft system requires specific details regarding the type of transaction. Please check the box that applies to this vendor:		
<input type="checkbox"/> Add:	<input type="checkbox"/> 1 - Rents	<input type="checkbox"/> 2 - Royalties	<input type="checkbox"/> 3 - Prizes & Awards
<input type="checkbox"/> Remove:	<input type="checkbox"/> 6 - Medical & Health Care	<input type="checkbox"/> 7 - Non-Employee Compensation	<input type="checkbox"/> 10 - Crop Insurance Proceeds
	<input type="checkbox"/> 14 - Gross Proceeds to an Attorney		

VENDOR/PAYEE SECTION (To be completed by vendor/payee)

Please print legibly or type this information. Form must be completed and signed by authorized individual. Email or fax to requesting state agency.

Payee Information: Please provide the requested information for the payee receiving funds from the Oklahoma state agency. All information should match U.S. Internal Revenue Service filing records for the business, individual or government entity receiving payment.			
Name	ERAD Group, Inc.	Contact Name	Steven Beckerman
<i>Payee Legal Name for Business, Individual or Government Entity as filed with IRS</i>		Contact Title	Chief Operating Officer
DBA Name	ERAD Group, Inc.	Phone #	727-781-7308
<i>Doing Business As "DBA", or Disregarded Entity Name if different than Legal Name</i>		Fax #	727-498-2984
Tax Identification Number (TIN) and Type:		<input checked="" type="checkbox"/> Federal Employer ID (FEIN) <input type="checkbox"/> Social Security Number (SSN)	
Business Address -- Please provide primary business address as filed with the U.S. Internal Revenue Service			
Address	8528 Davis Blvd, Suite 134-343	City	Fort Worth
State	Texas	Zip+4	76182
		Remittance Email	steve.beckerman@erad-group.com
Optional Addresses – Please select address type as applicable			
Type:	<input type="checkbox"/> Remitting	<input type="checkbox"/> Ordering	<input type="checkbox"/> Pricing
	<input type="checkbox"/> Returning	<input type="checkbox"/> Mailing	<input type="checkbox"/> Other:
Address 1			City
State	Zip+4	Remittance Email	
Financial Registration: Please provide contact information for the Authorized Individual who can provide financial information used for ACH Electronic Funds Transfer payment processes. An email will be sent providing instructions for accessing the State of Oklahoma online registration system.			
Name	Steven Beckerman	Title	Chief Operating Officer
Email	steve.beckerman@erad-group.com		

The information below is requested under U.S. Tax Laws. Failure to provide this information may prevent you from being able to do business with the state, or may result in the state having to deduct backup withholding amounts from future payments.

U.S. Taxpayer Identification Number (TIN)

Federal Employer Identification Number (FEIN) 46-4416122 If none, but applied for, date applied _____

U.S. Social Security Number (SSN) _____ If none, but applied for, date applied _____

Entity Filing Classification:

Domestic (U.S.) Sole Proprietor Domestic (U.S.) Partnership Domestic (U.S.) Corporation Type: S Corp

Limited Liability Company Type: _____ Disregarded Entity: YES NO

Domestic (U.S.) Other Explain: _____

Foreign (Non-U.S.) Sole Proprietor* Foreign (Non-U.S.) Partnership* Foreign (Non-U.S.) Corporation* Type: _____

Foreign (Non-U.S.) Other* Explain: _____

FOREIGN VENDOR INSTRUCTIONS: * ADDITIONAL DOCUMENTATION IS REQUIRED.

Please submit the proper U.S. Internal Revenue Service (IRS) Form W-8, Certificate of Foreign Status. Select form below matching the payee's entity or individual description. Please refer to IRS for additional instructions (<http://www.irs.gov/pub/irs-pdf/iw8.pdf>).

- **Form W-8BEN:** Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals). <http://www.irs.gov/pub/irs-pdf/fw8ben.pdf>
- **Form W-BEN-E:** Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities). <http://www.irs.gov/pub/irs-pdf/fw8bene.pdf>
- **Form W-8ECI:** Certificate of Foreign Person's Claim That Income is Effectively Connected With the Conduct of a Trade or Business in the United States. <http://www.irs.gov/pub/irs-pdf/fw8eci.pdf>
- **Form W-8EXP:** Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting. <http://www.irs.gov/pub/irs-pdf/fw8exp.pdf>
- **Form W-8IMY:** Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting. <http://www.irs.gov/pub/irs-pdf/fw8imy.pdf>

This may exempt you from backup withholding. Form W-8 does not exempt you from the 30% (or lower percentage by treaty) non-resident withholding taxes. To claim this exemption, you must file IRS Form 8233 with us. For more information, refer to IRS Publication 519.

SIGNATURE - AND SUBSTITUTE IRS FORM W-9 CERTIFICATION

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement account (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN.

Steven
Becker
man

Digitally signed by: Steven Beckerman
DN: CN = Steven Beckerman C = US O = ERAD Group, Inc.
Date: 2015.11.19 11:41:45 -04'00'

11/19/2015

Signature of Vendor Representative or Individual Payee

Date

Chief Operating Officer

Title of individual signing form for company

ERAD Group, Inc.

Vendor/Payee (Must be the same as Payee Name from page 1)

Account Codes for 1099 Reporting - By Category (TO BE COMPLETED BY AGENCY REPRESENTATIVE)

<input type="checkbox"/> 1 - RENTS 532110 Rent of Office Space 532120 Rent of Land 532130 Rent of Other Building Space 532140 Rent of Equipment and Machinery 532150 Rent of Telecommunications Equip 532160 Rent of Electronic Data Processing Equipment 532170 Rent of Electronic Data Processing Software 532190 Other Rents	<input type="checkbox"/> 1 – RENTS (cont.) 532141 Rent of Motor Vehicles 532142 Lease of Motor Vehicles <input type="checkbox"/> 2 – ROYALTIES 533170 Royalties	<input type="checkbox"/> 3 - PRIZES AND AWARDS 552140 Incentive Awards – Monetary & Material 552160 Incentive Payments – Oklahoma Horse Breeders & Owners 552170 Incentive Payments – Oklahoma Film Enhancement Rebate 553220 Indemnities, Restitution & Settlements
<input type="checkbox"/> 6 - MEDICAL & HEALTH CARE PAYMENTS 515530 Veterinary Services 515700 Offices of Physicians (except Mental Health Specialists) 515710 Offices of Physicians, Mental Health Specialists 515720 Offices of Dentists 515730 Offices of Chiropractors 515740 Offices of Optometrists 515750 Offices of Mental Health Practitioners (except Physicians) 515760 Offices of Physical, Occupational & Speech Therapists, & Audiologists 515770 Offices of Podiatrists 515780 Offices of all other Miscellaneous Health Practitioners 515790 Family Planning Centers 515800 Outpatient Mental Health & Substance Abuse Centers 515810 Other Outpatient Care Centers 515820 Medical and Diagnostic Laboratories	515830 Home Health Care Services 515840 Ambulance Services 515850 All other Ambulatory Health Care Services 515860 General Medical & Surgical Hospitals 515870 Psychiatric & Substance Abuse Hospitals 515880 Specialty Hospitals (except Psychiatric & Substance Abuse) 515890 Nursing Care Facilities 515900 Residential Services for People with Developmental Disabilities 515910 Residential Mental Health & Substance Abuse Facilities 515920 Community Care Facilities for the Elderly 515930 Other Residential Care Facilities 537210 Laboratory Services & Supplies 551230 Medical Services to Indigents (from agencies other than DHS) 551240 Hospital Services to Indigents (from agencies other than DHS) 551250 Other Health Services to Indigents (from agencies other than DHS)	
<input checked="" type="checkbox"/> 7 - NON-EMPLOYEE COMPENSATION 515010 Office of Lawyers 515020 Offices of Notaries 515030 Other Legal Services 515060 Accounting, Tax Preparation, Bookkeeping & Payroll Services 515210 Payments for Contract Mentor Services 515220 Architectural Services 515230 Landscape Architectural Services 515240 Engineering Services 515250 Drafting Services 515260 Building Inspection Services 515270 Geophysical Surveying & Mapping Services 515280 Surveying and Mapping (except geophysical) Services 515290 Testing Laboratories 515300 Interior Design Services 515310 Industrial Design Services 515320 Graphic Design Services 515330 Other Specialized Design Services 515350 Custom Computer Programming Services 515360 Computer Systems Design Services 515370 Computer Facilities Management Services 515380 Other Computer Related Services 515400 Administrative Management & General Management Consulting Services 515410 Human Resources & Executive Search Consulting Services 515420 Marketing Consulting Services 515430 Process, Physical Distribution, & Logistics Consulting Services 515440 Other Management Consulting Services 515450 Environmental Consulting Services 515460 Other Scientific & Technical Consulting Services 515470 Research & Development in the Physical, Engineering, & Life Sciences 515480 Research & Development in the Social Sciences & Humanities 515490 Advertising and Related Services 515500 Marketing Research & Public Opinion Polling 515510 Photographic Services 515520 Translation & Interpretation Services 515540 All other Professional, Scientific and Technical Services 515550 Management of Companies & Enterprises 515560 Office Administrative Services 515570 Employment Placement Services 515580 Business Support Services 515590 Document Preparation Services	515600 Telephone Call Centers 515610 Business Service Centers 515620 Collection Agencies 515630 Credit Bureaus 515640 Other Business Support Services 515650 Investigation & Security Services 515660 Educational Services 515940 Individual & Family Services 515950 Community Food, Housing & Emergency & Other Relief Services 515960 Vocational Rehabilitation Services 515970 Child Day Care Services 515980 Arts, Entertainment and Recreation 515990 Other Services (except Public Administration) 517110 Moving Expense – Employee Transfer 531150 Printing and Binding Contract 531160 Advertising 531170 Informational Services 531190 Exhibitions, Shows and Special Events 531220 Burial Charges 531330 Jury and Witness Fees 531500 Moving Expenses – General 533100 Maintenance & Repair – Other Items 533110 Maintenance & Repair of Buildings & Grounds (outside vendors) 533120 Maintenance & Repair – Equipment (outside vendors) 533130 Maintenance & Repair of Telephone Equipment (outside vendors) 533140 Maintenance & Repair of Data Processing Equipment (outside vendors) 533150 Maintenance & Repair of Data Processing Software (outside vendors) 533190 Maintenance & Repair – Employee Uniforms 545110 Land Improvements 546210 Buildings and Other Structures – Construction and Renovation 546220 Major Maintenance and Repair of Equipment 547110 Highway and Bridge Construction Expense – Contractual 547120 Maintenance and Repairs to Highways and Bridges 547210 Major Maintenance and Renovation – Bridges 552100 Stipends – Other 552120 Teacher Stipends (“Incentive” payments) 552130 Oklahoma Police Corps Stipends 553160 Legal Settlements Reportable to the IRS 554190 Voter Registration Services 561140 Pollution Remediation	
<input type="checkbox"/> 14 - GROSS PROCEEDS TO AN ATTORNEY 553180 Settlements – Paid To/Thru Attorney		



ERAD Group, Inc.

T. Jack Williams
President

9 December 2015

Ms. Cini Zacharia
Office of Management and Enterprise Services
5005 North Lincoln Blvd.
Suite 200
Oklahoma City, OK 73105

Solicitation: 5850000475

Dear Ms. Zacharia:

On behalf of all that are associated with ERAD Group, Inc., we are pleased to provide our response to solicitation number 5850000475.

The use of prepaid cards to launder or transport money is a growing problem for law enforcement around the globe. To counter this real and ever changing threat, Electronic Recovery and Access to Data (ERAD) was developed initially under contract with Department of Homeland Security's *Science and Technology Directorate*. The purpose of this effort was to create and implement a solution for federal/state/local and tribal law enforcement to obtain balances tied to prepaid access devices, also referred to as prepaid debit cards. From this balance inquiry only requirement, ERAD evolved into a far more robust and capable SaaS processing platform tailored to the requirements of law enforcement.

Today, we are able to obtain a balance, freeze that balance, and seize that balance at the time of contact, all in a matter of seconds. While we began with open loop cards such as MasterCard and Visa, we have expanded to include for example merchant cards such as Wal-Mart or Best Buy. As various law enforcement agencies began using the platform, we heard back about improvements we could make. We have greatly expanding our ability to capture magnetic stripe data from credit/debit and prepaid cards for ease of reporting and forensic analysis.

Our handheld terminal solution and virtual terminal, with access via the Internet has been used to impact criminals by securing funds as a result of illicit activities. Our ERAD-Prepaid Platform offers The Oklahoma Department of Public Safety a comprehensive and proven system. One that is capable of meeting the multiplicity of DPS' operational requirements, at the same time utilizing a secure cloud based SaaS processing environment.

Thank you for your consideration of our submission.

Sincerely,

T. Jack Williams

Enclosure:

8528 Davis Blvd, Suite 134-343
Fort Worth, Texas 76182

Office: 817.576.3655
Office: 571.207.3723

Skype: [tjackwilliams](https://www.skype.com/people/tjackwilliams)
Mobile: 502.609.0109

Website: www.erad-group.com

Email: jack.williams@erad-group.com



E. 11. P-Cards

The State of Oklahoma has issued payment cards to most State agencies. The current P-Card contract holder utilizes VISA. If awarded a contract, will your company accept the State of Oklahoma approved purchase card:

ERAD Response: Yes, ERAD will accept the Oklahoma approved purchase card.

E.12. Electronic Funds Transfer (EFT)

The State of Oklahoma passed legislation in 2012 requiring funds disbursed from the State Treasury be sent electronically. If awarded a contract will your company accept payment for invoices from the State by EFT:

ERAD Response: Yes, ERAD will accept payment for invoices from the State by EFT.

E 13.1 e) Any exceptions to the solicitations terms and conditions

ERAD Response: ERAD respectfully requests that DPS consider the following modifications to this solicitation and subsequent contract:

A. 26.2 This is a non-exclusive Contract and each party is free to enter into similar agreements with others.

ERAD Response: ERAD believes there are two justifications for this solicitation and subsequent contract to be exclusive to DPS and ERAD. Based on the two points outlined below, ERAD requests that Section A.26.2 be omitted from this solicitation.

1. Interoperability between DPS troops, and the logistics of data sharing to facilitate case analysis, is compromised if DPS uses multiple providers for this program. ERAD believes that the effectiveness of this program will be significantly enhanced by the ability for DPS to aggregate seizure data. Having a single provider allows DPS to have a single point for data collection and more effective forensic analytical tools. Using multiple providers substantially degrades this ability for DPS.
2. The process requested in this Solicitation is protected by US Patent (8,881,976) awarded to ERAD Group, Inc. Any provider, other than ERAD Group, that provides the requested services would be in violation of this patent.

A. 30. Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards (“Standards”) set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template (“VPAT”) describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the



Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

ERAD Response ERAD believes the requirements outlined in the Oklahoma Information Technology Accessibility Standards do not apply to this solicitation because the requested technology is considered payment processing software and will not be made available to the general public.

The technology requested in this Solicitation will only be made available to members of the Oklahoma Law Enforcement community. The ERAD-Prepaid platform was designed using the same accessibility requirements available to merchants, retailers and other providers of the global payment platforms. The modifications required in the Standard are far reaching, cost prohibitive and as such, not practical for the ERAD-Prepaid™ Platform to comply.

In addition, and at the present time, there are no federal laws that define disability requirements for Consumer Activated Payment Terminals (these devices are referred to as Interactive Transaction Machines, or ITMs by the ADA). Both the ERAD-Prepaid™ Virtual Terminal and VeriFone VX-680 hand held terminal are considered ITMs

Based on this position, ERAD requests that Section A.30. be omitted from this solicitation.

A.45.1 Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto.

ERAD Response: The technology provided by ERAD leverages the global payment network infrastructure and is provided to DPS as a Software as a Service (SaaS) solution. There are no unique or specific requirements from this solicitation that require development for the exclusive use by DPS. Further, there will be no transfer of software ownership, nor is use of the ERAD-Prepaid™ Platform considered “work for hire” or will any software be conveyed as part of the services requested by this Solicitation. ERAD Group is the sole and exclusive owner of US. 8,8881,976, ERAD-Prepaid™ intellectual property and the ERAD-Prepaid™ processing methodology.

Based on this position, ERAD requests that Sections 45.1 through 45.7 be omitted from the solicitation.



Amendment of Solicitation

Date of Issuance: 11/23/2015

Solicitation No. 5850000475

Requisition No. 5850002716

Amendment No. 1

Hour and date specified for receipt of offers is changed: [X] No [] Yes, to: 3:00 PM CST/CDT

Pursuant to OAC 580:16-7-30(d), this document shall serve as official notice of amendment to the Solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent.

Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment prior to the hour and date specified in the solicitation as follows:

- (1) Sign and return a copy of this amendment with the solicitation response being submitted; or,
(2) If the supplier has already submitted a response, this acknowledgement must be signed and returned prior to the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date printed clearly on the front of the envelope.

ISSUED BY and RETURN TO:

U.S. Postal Delivery or Personal or Common

Carrier Delivery:

Office of Management and Enterprise Services

ATTN: Cini Zacharia

5005 N. Lincoln Blvd. Suite 200

Oklahoma City, OK 73105

Cini Zacharia

Contracting Officer

Cini.zacharia@omes.ok.gov

E-Mail Address

Description of Amendment:

a. This is to incorporate the following:

A.26.2 This is a non-exclusive Contract and each party is free to enter into similar agreements with others.

Question: We feel that there are two justifications for this solicitation to be exclusive. Based on the two points below we request that 26.2 be omitted from the Solicitation

1. Interoperability and the logistics of data access and data sharing to facilitate case analysis is compromised if a multi-provider solution is made available. In addition to the core functionality of the program, that is to secure a balance, freeze that balance and ultimately seize that balance is only part of the anti-money laundering advantage available to Oklahoma Law Enforcement. Having access to aggregated Oklahoma Law Enforcement data is an important aspect of the program as usage of prepaid access devices continues to grow as the preferred cash transport methodology of criminals. Having one provider allows Oklahoma Law Enforcement agencies a single portal, which will provide an important statewide understanding of criminal activity. With multiple providers, there is not a way to provide interoperability between systems.

2. The process requested in Solicitation 5850000475 is protected by our US Patent (8,881,976). We believe that any provider other than ERAD Group, Inc. would be in violation of this patent, unless they received a license, of which we have not done.

Description of Amendment - continuing

Re: see below

A.30. Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards ("Standards") set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template ("VPAT") describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

Question: The technology requested in the Solicitation is available only to members of various Oklahoma Law Enforcement, and not the general population. The ERAD process is built upon the same accessibility requirements resident within the global payments platforms and change to platforms or networks is not possible. As such, we request that requirement A.30 be omitted from Solicitation 5850000475.

Re: see below

A.45.1 Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto.

Question: The technology being provided is built upon the global payments arena and provided to Oklahoma as Software As A Service (SAAS) for law enforcement agencies and departments only. None of the technology or processes that would be used to provide the services of this Solicitation will be developed for, or provided exclusively to Oklahoma. In addition, there is no transfer of any ownership, nor is any work considered "work for hire" or any software be conveyed as part of the services requested within this Solicitation. ERAD ownership includes but not limited to the patent (8,881,976), the ERAD intellectual property, and processing methodology, ERAD Group, Inc. is the sole and exclusive owner of all right, title and interest therein and includes all process and information. As such, we request that all of the elements within sections 45.1 through 45.7 be omitted from the solicitation.

Re: We do not want to limit the scope of the solicitation for all possible bidders at this time through an amendment. . Therefore, we do not agree to the Vendor's request to omit Sections A.26.2, A.30., and A.45.1. To the extent an intent to award is offered. We are more than happy to readdress these issues.

Description of Amendment - continuing

However, while we are happy to readdress these issues and any other exceptions, this ovation does not amount to the foregone conclusion we will accept the Vendor's exceptions, only that we will revisit them.

C.1 provide a fully functional solution that allow Law Enforcement to read and manage data (seize, freeze or return funds) from cards with magnetic stripes containing account numbers and cash balances at the time of contact.

C.2.1.1.c banking information (account number, routing number).

Question: The ERAD process is a fully functional system that provides the services requested in C.1 regarding cash balances on prepaid access devices (referred to as debit cards). The prepaid access device networks do not provide banking information such as bank account number or routing number. For example, many of the prepaid access devices law enforcement will find are a gift cards, and purchased with cash. As such, we request that C.2.1 be omitted from the Solicitation.

Additional information regarding each prepaid access card is available via subpoena sent directly to the issuing financial institution, of which ERAD will assist whenever asked.

Re: In retrospect the Vendor's comments sound reasonable. Would assume all gift type cards composition is universal. The point is well taken and should have been considered some information requires a subpoena. Therefore DPS has no objection to removing C.2.1.1.c

C.2.2.1 The solution shall provide 4" wide receipt printing capabilities (Troops have in --car printers that only allow 4" continuous roll tape).

Question: The terminal solution, VeriFone VX-680 wireless, handheld card reader only accommodates a standard 2" wide receipt paper, which is the standard in the payments industry. This VeriFone terminal is unable to be changed to a 4" wide tape. The ERAD virtual terminal, available as part of the solution includes a print feature that to date, has not been requested. ERAD believes that this print feature would require material changes to their production process and such modification for DPS law enforcement could not be provided by ERAD. ERAD would be pleased to engage in testing the process with to determine the methodology best suited for DPS to accomplish this requirement. As such, ERAD requests that this element, C.2.2.1 be omitted from the Solicitation.

Re: It appears the number C.2.2.1 refers to maintenance and support and not the print tape (C.2.1.7.) as referred to in the question. The solution shall provide a receipt printing capability. DPS does not want to modify any ones system. In other words, DPS wants strictly an off the shelf solution.

Description of Amendment - continuing

b. All other terms and conditions remain unchanged.

ERAD Group, Inc.

Supplier Company Name (PRINT)

1 Dec 2015

Date

T. Jack Williams

Authorized Representative Name (PRINT)

President

Title

T. Jack Williams

Authorized Representative Signature



ERAD Group, Inc.

References:

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Implementation 11 December:

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Corporate History:

In 2012, Paymentcard Services, Inc., an established government consulting firm, was awarded a prime development contract from the Department of Homeland Security, Science and Technology Directorate to create and implement a global platform that would process prepaid access devices at time of arrest for balance inquiry, freeze and transfer of funds. The ERAD-Prepaid™ platform is the patented process that combines the understanding of global payments and the requirements of law enforcement. Initial development of the ERAD-Prepaid™ was completed in July 2013.

ERAD Group, Inc. was established in January 2014 as a spin-off from Paymentcard Services, Inc. in order to create a company that was solely focused on deploying and operating the ERAD-Prepaid™ Platform separate from the consultancy business of Paymentcard Services, Inc.. The platform has continued to evolve and now also provides balance inquiry support for retailer gift cards, and with an additional module, presents bankcard issuer information for prepaid, credit and debit cards.

An important element in the original DHS contract was to ensure that ERAD was available to state, county, city and tribal law enforcement agencies to assist in their efforts to counter money laundering with PAD's. ERAD supports that initiative, and is currently operating in 9 States. DHS continues to support ERAD in many ways, including being prominently promoted in their Communities of Practice Website available to law enforcement agencies at every level. Following is an invitation sent by DHS to members of the law enforcement community.

On October 28, 2015, I invited you to join the U.S. Department of Homeland Security's Science and Technology Directorate's (DHS S&T) First Responders Communities of Practice (FR CoP). As you may or may not be aware, DHS funded a prototype prepaid card reader technology that is currently commercially available. In association with ERAD, the company that is now commercializing the card reader, we would like you to participate in our restricted community to relay information and current practices regarding this groundbreaking technology. The collaborative nature of FR CoP allows us to securely share information regarding this prepaid card reader technology while ensuring that it is accessible to a vetted first responder community. If you are unable to locate your invitation, please let Jack Williams (jack.williams@erad-group.com) know. We will be happy to resend an invitation to you.

Department of Homeland Security, Science & Technology Directorate

Key ERAD Staff:

The ERAD Group leadership team has more than 45 years of experience in the payment processing industry.

T. Jack Williams is the President and Founder of ERAD Group, Inc. He brings over 25 years of experience in the payments industry and is responsible for the overall management and strategic direction of the company.

Williams is a payments executive that has designed and implemented over 400 fully operational credit, debit, prepaid and mobile payments programs for major companies globally and is generally acknowledged as one of the most knowledgeable individuals in the world regarding prepaid access devices and mobile payments. He speaks frequently at many events including ACAMS, DHS and payment industry conferences.



In addition to his commercial clients, Jack consults with multiple federal and state law enforcement agencies including DHS, ICE, USSS, DEA, HSI and CBP all of which utilize Mr. Williams as a prepaid access Subject Matter Expert. His expertise ranges from global infrastructure to forensics, targeting the criminal use of prepaid cards to launder money or terrorist finance. He is also an appointee by the Governor of Texas to the Texas Critical Infrastructure Recovery, Texas EBT Task Force and the Texas Counterterrorism Committee. Mr. Williams is also a member of the FBI's InfraGuard program.

Prior to this, Jack was CEO of eCommlink, a multi-national core processor for prepaid Discover, Visa and MasterCard payment cards, mobile remittances and commerce. Previous to joining eCommlink, he was Senior Vice President, Strategic Programs for Tier Technologies. As Senior Vice President, National Processing Company (NPC), Jack was responsible for the national merchant portfolio, managing the authorization, clearing and settlement processing of over 6.0 billion MasterCard and Visa transactions annually.

Prior to his move to NPC, he was Senior Vice President, Marketing with Stored Value Systems (SVS), a division of National City Bank. In 1999, Credit Card Management awarded Jack their *Debit Executive of the Year* award for his achievement in the stored value arena.

Prior to SVS, Jack was Director of Membership Services at Blockbuster Entertainment. In this role he is credited with creating and implementing the world's first electronic gift card program, as well as the launch of the successful Blockbuster Visa co-branded credit card, and the 50 million members Universal Membership Loyalty Card.

Steve Beckerman is the Chief Operating Officer of ERAD Group, and brings over 20 years of experience in the payment processing industry. Steve oversees the operations, logistics and technology for the company's ERAD-Prepaid™ Program.

He previously was General Manager for Tier Corporation's Business Process Outsourcing division where he led the company's Child Support payment processing and customer service operations for 20 States programs. Steve spent 10 years with Certegy Card Services as a senior vice president holding a number of key management positions including; domestic sales, client management, customer service, credit, debit and prepaid card operations, loyalty products and internet banking for more than 18 million accounts from over 5,000 community banks and credit unions. He was a senior vice president with First Data Corporation, managing more than 7 million private label and oil company credit card program representing over \$1B in receivables. Previously Steve was the Chief Financial Officer for Mobil Oil's private label card program responsible for financial performance of the card operations center.

ERAD Representation:

The company is based in Fort Worth, Texas and, including our predecessor company Paymentcard Services, has been in business since March 2009. ERAD Group is not currently or has ever been involved in any litigation. .

The company is financially secure and along with our processing partners First Data Merchant Services and VeriFone, Inc., is able to deliver the services requested in this solicitation.



C.1. Overview

The State of Oklahoma Office of Management and Enterprise Services (OMES) Information Services Division (ISD) on behalf of The Oklahoma Department of Public Safety (DPS), is seeking bids for a proven successful implemented software as a services (SaaS) for card magnetic stripe reader solution that includes 20 portable hardware units with option to purchase additional units - Indefinite Quantity, software and licenses, maintenance and support services, and training necessary to provide a fully functional solution that allow Law Enforcement to read and manage data (seize, freeze or return funds) from cards with magnetic stripes containing account numbers and cash balances at the time of contact.

C.2. Mandatory Specification/Requirements

Mandatory requirements are the minimum capabilities, features, and/or technical standards that must be met by the proposed solution to be determined responsive. The Bidder shall clearly state their ability to meet the Minimum System (technical) requirements and will state how the requirements will be met, what assurances of success the proposed approach will provide. The solution must have the ability to be mounted inside a Law Enforcement cruiser (i.e. Dodge charger, Crown Victoria, etc.)

C.2.1 Technical Specifications

C.2.1.1 The solution shall have the ability to read cards at the point of stop and provide the trooper with information contained on magnetic stripe such as:

a. name (if any recorded in stripe),

ERAD Response: When a magnetic stripe card is swiped through an approved card reader, the ERAD-Prepaid™ Platform will read and display the name or wording encoded on the magnetic stripe.

b. cash balance,

ERAD Response: The ERAD-Prepaid™ Platform will display the available cash balance associated with a prepaid card when the balance information is provided by the bank or retailer issuer. The ERAD-Prepaid™ Platform will also display a zero balance if there are no funds associated with the prepaid gift card.

c. banking information (account number, routing number).

ERAD Response: Banking information (account number, routing number) is not transmitted through the payment card networks and therefore not available on the ERAD-Prepaid™ Platform. However, ERAD can assist DPS in obtaining bank information by identifying the specific bank card issuer and contacting the institution on their behalf. ERAD can also provide support for any forensic investigation that may be required for a DPS trial.

d. ability to capture the identity of the trooper who runs the card.

ERAD Response: Each trooper will receive a unique set of system access credentials and be required to log on with those credentials each time that they access the ERAD-Prepaid™ Platform. User access and activity is tracked throughout the system. All card activity (balance, freeze, seize, claim freeze, void) is recorded and tracked on the ERAD-Prepaid™ Platform, identifying both the DPS user who executed the transaction, and the Case



to which it was assigned. Authorized DPS personnel can access reports that track these activities.

e. ability to produce reports on individual and aggregate activity of trooper(s).

ERAD Response: ERAD offers DPS reporting options at several levels. Troopers can produce activity reports for the specific cases they are assigned and sort them by; case number, date/time, card issuer, retailer and card number. Those individuals with administrative access can produce a number of aggregated reports sorted by trooper, case number, date/time and terminal device. Additional ad-hoc reports can be generated to produce summary results by region or division. All activity reports are available for export to Excel, providing DPS the ability to sort and analyze results tailored to the requirements of each authorized user.

C.2.1.2 The solution shall have the ability to place identified funds on hold for further investigation.

ERAD Response: The ERAD-Prepaid™ Platform provides the ability for an authorized DPS Trooper to place identified funds on a hold or “freeze” for a period of time. Because each card issuer establishes their own policy regarding the number of days they are willing to “hold” those funds, ERAD recommends DPS take the necessary action to secure the appropriate court authority (if required) and “seize” those funds within seven calendar (7) days. While there are some issuers that will extend freeze transactions to as long as 30 days, DPS should assume that a freeze on the identified funds will expire in seven days. The freeze transaction will prevent access to the card’s value by anyone outside of DPS and prevent possible movement of those funds to another card. During this period, criminals will be unable to transfer funds from this account to another account or another card, thus protecting DPS evidence for future seizure and documentation for possible trial.

C.2.1.3 The solution shall have the ability to freeze or seize the funds at stop if sufficient evidence is available.

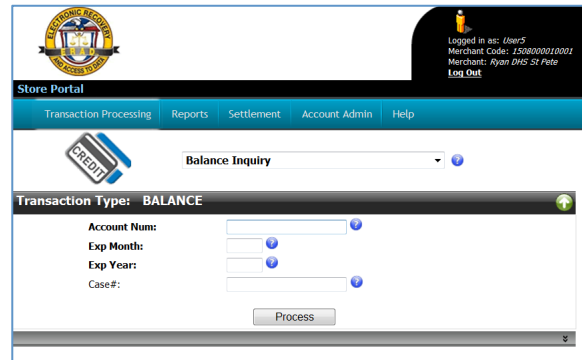
ERAD Response: As outlined above, the ERAD-Prepaid™ Platform will allow an authorized DPS trooper to freeze identified funds at the stop. An authorized DPS trooper may also “seize” funds during the stop. This seize transaction will initiate the transfer of funds from the card issuer to the DPS assigned asset forfeiture account. The transfer of funds is typically completed within three (3) banking days. This seize process is used many times when the criminals claim no knowledge of the cards, or the source of funds used to purchase the cards and disavows ownership. Seizure of funds can be accomplished by using either the keyboard reader attached to the ERAD-Prepaid™ Virtual Terminal, or the VeriFone wireless handheld terminal, both discussed later in this document.



C.2.1.4 The bidder shall describe the process for all scenarios:

a. Balance Inquiry

ERAD Response: An authorized DPS trooper has two options available to obtain the balance associated with an open loop prepaid card – VeriFone VX-680 Terminal and the ERAD-Prepaid™ Virtual Terminal.



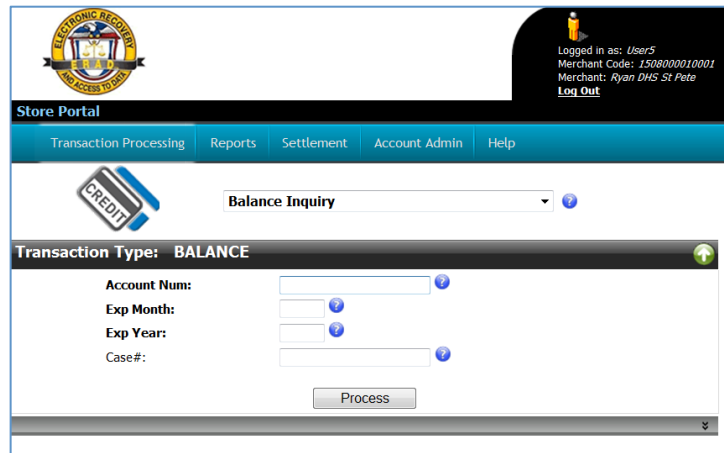
The first option to determine the balance on a Visa, MasterCard, American Express or Discover prepaid card is to access the ERAD-Prepaid™ Platform using a VeriFone VX-680 hand held, wireless terminal loaded with proprietary and patented ERAD software application. The terminal must first be powered-up and a cellular signal acquired prior to accessing the ERAD application. Once the terminal has connected with the VeriFone gateway, the authorized DPS Trooper will log in to the terminal so that all transactions can be identified by their unique 4-digit access number. Once authenticated, the trooper will select “Balance Inquiry” and swipe the magnetic stripe card, thru the card reader slot. The terminal will ask for a case number, and the trooper will enter the applicable numeric case designation. The trooper will then press the green “enter” button and the transaction will be sent to the ERAD gateway, hosted by VeriFone, who will in turn route the transaction to the card issuer/processor, requesting the available balance of that card. If the balance information is available, the issuer/processor will return the balance amount through the payment gateway and display that value, if any, on the VeriFone terminal screen. The trooper will then acknowledge the information by pressing the green “enter” key at which time they will be prompted with an option to print a receipt of the balance inquiry transaction. If the trooper selects the yes option, a receipt will be printed and the terminal will reset to the main ERAD screen where the DPS Trooper can perform a new balance inquiry or another transaction. Additional balance receipts can be printed by repeating the Balance Inquiry process.

In addition to presenting the value associated with a card, the terminal will read other card types such as credit and debit cards. While no value can be provided, the terminal will display a “card not supported” message to alert the trooper that this is not a prepaid card. The trooper can then compare the four digits displayed on the terminal with the last four digits shown on the face of the card to determine if the card has been cloned. If the last four digits on the face of the card do not match the four digits displayed on the terminal, the trooper should note the discrepancy and pursue further action in the investigation.



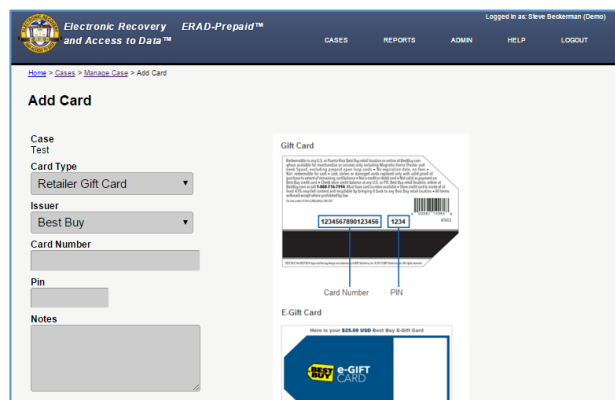
The second option for obtaining a balance on a Visa, MasterCard, American Express or Discover prepaid card is to access the ERAD-Prepaid™ Platform using the ERAD-Prepaid™ Virtual Terminal. Use of this option requires a USB keyboard swipe card reader to capture the card's magnetic stripe data.

The trooper will access the secure ERAD web portal (<https://prepaid.erad-group.com>) and enter their unique log in credentials. Once authenticated, the trooper will select the "Cases" tab; create a new Case, and select "Add Cards" to begin the balance inquiry process. The trooper will be directed to the card entry screen for balance inquiries where they can then swipe the card using the attached card reader and see the full card number, expiration date and name displayed on the screen. The trooper can then compare the information read from the magnetic stripe with the information printed on the front of the card. If the card information does not match, the card has likely been cloned and the trooper should retain this information for further investigation. Following is an example of the screen the Trooper will see when they process a balance inquiry transaction.



The trooper will now select "Process" and, similar to the process described with the VX-680 above, the balance (if any) will be displayed on the screen if the balance information is available from the card issuer/processor. The trooper can then print a receipt for that card if a printer is available, print a .pdf version of a receipt, or process another transaction. A summary receipt option is available if the trooper prefers to print all card balances at one time. Summary transaction reports are available through the Reports portal.

To determine the available balance on a select group of closed loop cards issued by retailers such as Wal-Mart or Best Buy, the Trooper will use the ERAD-Prepaid™ Virtual Terminal shown below.





The Trooper selects the appropriate merchant from the “Issuer” drop down box then key-enters the card number and PIN for that card as shown in the related graphic. For each retailer card selected from the drop down menu, the ERAD-Prepaid™ Platform will display a sample prepaid card for the Trooper to use as a guide to ensure that the proper information is submitted to the merchant. Once entered, the Trooper selects “Submit Card”, and the system will return the current available balance for that card. All card and balance information will be automatically retained in the ERAD-Prepaid™ Platform to facilitate court or case reporting of the activities assigned to this Trooper.

The Trooper can now print a balance receipt or continue to process additional balance inquiries on other retailer cards. This balance information is available to the Trooper in a summary receipt with other balance inquiries or through a variety of case specific reports.

b. Freeze

ERAD Response: We have seen that it does not take criminals much time to affect a card-to-card transfer of funds, making the money nearly impossible to seize.

The ERAD-Prepaid™ Platform provides the ability for an authorized DPS Trooper to place identified funds on a hold or “freeze” for a period of time. Because each card issuer establishes their own policy regarding the number of days they are willing to “hold” those funds, ERAD recommends DPS take the necessary action to secure the appropriate court authority (if required) and “seize” those funds within seven calendar (7) days. While there are some issuers that will “hold” funds for as long as 30 days, DPS should assume that the freeze on the identified funds will expire in seven days. During this period, criminals will be unable to transfer funds from this account to another account or another card, thus protecting DPS’ ability to seize the funds and their ability to document the transaction as evidence for possible trial. An authorized DPS trooper can use either the VeriFone VX-680 terminal or the ERAD-Prepaid™ Virtual Terminal to secure the value associated with a prepaid card by completing a “Freeze” Transaction.

A “Freeze” transaction should only be completed after the balance on a prepaid card has been obtained. This transaction is usually completed at the arrest scene. The trooper will select the “Freeze” transaction from either the VX-680 or the ERAD-Prepaid™ Virtual Terminal, swipe the card through the magnetic stripe reader, confirm the case number and enter the full amount obtained from the balance inquiry receipt. Once the trooper confirms the “Freeze” amount, the transaction will be completed and a receipt will be automatically printed on the VX-680 terminal, or a print receipt option will be offered on the virtual terminal as it was for the Balance Inquiry transaction.

c. Seize



ERAD Response: The ERAD-Prepaid™ Platform offers two options for authorized DPS users to seize the value associated with a prepaid card.

The first option is to complete a “seize” transaction after the prepaid card balance has been determined. This transaction is usually completed at the arrest scene. The trooper will select the “Seize” transaction on either the VX-680 or the ERAD-Prepaid™ Virtual Terminal, swipe the card through the magnetic stripe reader, confirm the Case number, and enter the full amount identified on the balance inquiry receipt. If the authorized DPS User confirms the seizure amount and that amount is equal to the amount frozen, the transaction will be completed and a receipt will be automatically produced on the VX-680 terminal, or a print receipt option will be offered on the virtual terminal as it was for Balance Inquiry and Freeze transactions.

If the DPS trooper has already completed a “Freeze” transaction then the second option is to execute a “Claim Freeze” transaction. In this case, a card’s value has already been placed on hold using a “Freeze” Transaction. In order to release the hold and process the transaction for deposit to the DPS account, an authorized DPS user will select the “Claim Freeze” transaction on either the VX-680 terminal or the ERAD-Prepaid™ Virtual Terminal. To process a Claim Freeze transaction, the trooper must first retrieve the Transaction ID, which is printed on the receipt that was generated when the cards value was initially frozen. The Transaction ID is printed on the VX-680 receipt, the ERAD-Prepaid™ Virtual Terminal receipt or can be found on available transaction reports. The authorized DPS user will enter the Transaction ID number and Freeze amount and will be prompted to confirm the amount. If the authorized DPS User confirms the seizure amount and that amount is equal to the amount frozen, then the transaction will be completed and a receipt will be automatically produced on the VX-680 terminal, or a print receipt option will be offered on the virtual terminal as it was for Balance Inquiry and Freeze transactions.

d. Return

ERAD Response: If an authorized DPS user has processed a Freeze, Seize or Claim Freeze transaction and needs to reverse or cancel that action, they can execute a “Void” on the ERAD-Prepaid™ Virtual Terminal. Voiding a Seize or Claim Freeze transaction must be completed by an authorized user within 25 minutes of the initial transaction. Voiding a Freeze transaction can be completed at any time. This will release the funds back to the card for access by the individual who has the account information.

If DPS is required to return the seized funds to the cardholder, they can either process a “credit” to return those funds to the original prepaid card, or issue a check to the individual similar to how cash is returned today. ERAD will assist DPS in issuing the appropriate credit using the ERAD-Prepaid™.

C.2.1.5 The solution must be compatible with DPS Network on initial activation through transmission to Service Provider.

ERAD Response: The ERAD-Prepaid™ Virtual terminal is accessible from any Internet capable device using a variety of web browsers including; Google, Google Chrome, Firefox, Mozilla and Internet Explorer (version 10.0 and higher). DPS will need to confirm that the DPS Network will allow access to the ERAD secure site - <https://prepaid.erad-group.com>.



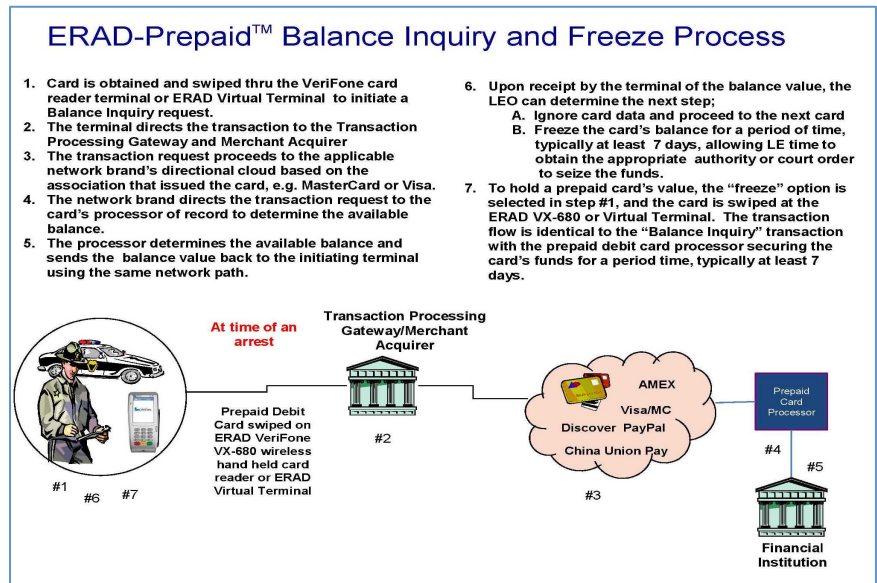
C.2.1.5 The solution shall have the ability to place identified funds on hold for further investigation.

ERAD Response: The ERAD-Prepaid™ provides the ability for an authorized DPS Trooper to place identified funds on a hold or “freeze” for a period of time. Because each card issuer establishes their own policy regarding the number of days they are willing to “hold” those funds, ERAD recommends DPS take the necessary action to secure the appropriate court authority (if required) and “seize” those funds within seven calendar (7) days. While some issuers will “hold” funds for up to 30 days, DPS should assume that the freeze on the identified funds will expire in seven days.

C.2.1.6 The bidder shall describe in general the data routing process.

ERAD Response: ERAD leverages the existing infrastructure of the worldwide payment processing system to facilitate the ERAD-Prepaid™ solutions. Utilizing the global payments infrastructure to process ERAD transactions ensures the same level of security that is used by global credit and debit card processors is in place to prevent criminals from accessing prepaid card data elements.

Following is a graphical representation of the transaction flow from acquisition of the prepaid card through balance determination and finally the subsequent freezing of the prepaid card value. Typically, an ERAD transaction will take between three and four seconds from the time the card is swiped to when the response is returned to the terminal.



C.2.1.7 The solution shall provide 4” wide receipt printing capabilities (Troops have in –car printers that only allow 4” continuous roll tape)

ERAD Response: The VeriFone VX-680 comes complete with an integrated thermal printer for printing receipts. This unit uses standard two-inch wide thermal receipt paper. It does not have the ability to transmit a print message to any other wireless or attached peripheral printer.



If the trooper is accessing the ERAD-Prepaid™ Platform through their onboard computer, and that computer can print to an attached or wireless printer, then the receipts produced by the ERAD-Prepaid™ Platform should be available to print on the trooper's printer. ERAD will ensure that individual card receipts, similar to the example below, will be formatted to print on a 4" wide, contiguous roll of paper. Following contract award, ERAD will coordinate a test of the DPS onboard printing system to confirm that the ERAD receipt output print file is compatible with the DPS printers.

```

ERAD
8528 Davis Blvd
FORT WORTH, TX 76182

Transaction Type: BALANCE

Client ID: 8652600010001
Transaction ID:
User ID: DHS_1
Invoice #: 11111

Thu Sep 12 2013 6:10:48 PM

CVV2: X

Media Type:
xxxxxxxxxxxx4950

Approval Code: 191127
Avail Balance: $18.21
Base Amount: $0.00

Total Amount: $0.00

(Sign) _____

I AGREE TO PAY ABOVE AMOUNT ACCORDING
TO CARD ISSUER AGREEMENT
(MERCHANT AGREEMENT IF CREDIT VOUCHER)

```

C.2.2 Maintenance and Support Plan

C.2.2.1 Provider shall provide a detailed Help desk description of their technical support options

ERAD Response: DPS may receive technical support either by phone (571-207-ERAD), or email (support@erad-group.com). ERAD technical support is available from 7:00 AM – 7:00 PM Central Standard Time, Monday to Friday. After hours and in the event of an emergency, DPS may contact the ERAD Chief Operating Officer, Steve Beckerman @ 727-692-6321.

C.2.2.2 Identification of and contact information (name; title; address; telephone and fax numbers; and e-mail address) for progressively higher levels that would become involved in resolving a problem.

ERAD Response: The primary point of contact to address technical or customer service issues will be via phone (571-207-ERAD) or email (support@erad-group.com). If customer support is unable to resolve the issue or problem, DPS may escalate the issue according to the following schedule:

Level 1 Escalation:
Steve Beckerman
Chief Operating Officer
Office: 727-781-7308
Cell: 727-692-6321
Email: steve.beckerman@erad-group.com

Level 2 Escalation



T. Jack Williams
President
Office: 817-576-3655
Cell: 502-609-0109
Email: jack.williams@erad-group.com

C.2.2.3 Provider shall list the frequency of product upgrades are optional or mandatory, and patches made to current platform.

ERAD Response: DPS will be using the most current version of the ERAD-Prepaid™ Virtual Terminal system. As such, DPS and all ERAD clients will always be operating with the most current version of the ERAD-Prepaid™ application. These upgrades are mandatory and system wide.

If DPS chooses to deploy the VeriFone VX-680 hand-held terminal, they will be required to download the most current version of the ERAD-Prepaid™ terminal application. The End User License Agreement requires that all related ERAD equipment be operating with the most current version of our application. This becomes particularly important for fraud protection, as ERAD must ensure that DPS is operating with the most recent ERAD-Prepaid™ Virtual Terminal system

a. Provider shall notify the DPS personnel 2 weeks before any updates and maintenance.

ERAD Response: ERAD will use its best efforts to notify DPS at least 2 weeks in advance of any planned updates or scheduled maintenance.

b. The provider must inform DPS personnel if any updates and maintenance is going to be more than 2 hours.

ERAD Response: ERAD will use its best efforts to notify DPS at least 2 weeks in advance of any planned updates or scheduled maintenance, and if the updates or maintenance will require more than 2 hours of system unavailability. Every effort will be made to install system updates and provide required maintenance during non-business hours.

C.2.3 The proposed solution must include a description of the recommended training required to have a full, working knowledge of the system.

C.2.3.1 The proposed training environment, for example on-site, web, video, or other.

ERAD Response: ERAD believes that only properly trained law enforcement officers can effectively utilize the systems to identify and secure funds from prepaid cards. To meet this goal, ERAD will utilize two specific training delivery systems -, Onsite and Web based. By offering two options, DPS can ensure that all DPS users have access to training, and the opportunity to interact with ERAD staff to gain a working knowledge of the ERAD-Prepaid™ system.

DPS Troopers and Front-Line Users

ERAD will conduct two (2) two-hour training classes at DPS headquarters in Oklahoma City to familiarize DPS users with the features, functions and operations of the ERAD-Prepaid™ Platform. In addition to an overall briefing on the criminal use of prepaid cards, users will be led through simulations and hands-on training for each of the key system functions. This will be an interactive training session designed specifically for DPS personnel who will be using the ERAD-Prepaid™ Platform to:



- 1) Determine prepaid card balances
- 2) Freeze or seize prepaid card values
- 3) Analyze payment cards
- 4) Create, view and access reports

In addition to on-site training, ERAD personnel will conduct two (2) two-hour web based training programs for those DPS users who are unable to attend the on-site training in Oklahoma City. Course material will be identical to the on-site training program. Users will need to access the website www.webex.com to view and participate in the training class. Similar to on-site training, users will be encouraged to bring their laptop or mobile device, and run the simulation exercises.

DPS and ERAD will determine mutually agreeable dates and times for the on-site and web-based training sessions.

DPS Administrative and Supervisory Users

As a supplement to the DPS Trooper and Front-Line User training, ERAD will conduct a separate on-site training session for supervisory and administrative personnel. This one-hour session will include a brief review of the DPS Troopers and Front-Line Users training, with additional orientation to higher-level functions including:

- 1) Seizing and Claim Freezing prepaid card values
- 2) Administrative support
- 3) Financial Reports and Reconciliation

C.2.3.2 Bidder will identify which personnel should be included in the training.

ERAD Response: ERAD recommends that all system users attend either the on-site training or web-based training. These comprehensive training programs contain important information for users at every level.

The Administrative Training session should be attended by supervisory personnel that will be involved in seizing prepaid card funds or will have some administrative responsibility for the program.

C.2.3.3 The maximum number that can attend the training.

ERAD Response: The number of attendees at the on-site training session is only limited by the number of seats available at the DPS training venue.

Web-based training is limited to 100 attendees per session.

C.2.4 Disaster Recovery Plan

The Provider shall develop a Disaster Recovery Plan that addresses the following:

The Disaster Recovery Plan shall describe the successful provider's approach that will be used to guide the preparation for and delivery of necessary disaster services in response to any disaster requiring extraordinary services response.

ERAD Response: ERAD-Prepaid™ is hosted in the Microsoft Azure Cloud platform, which utilizes geographically dispersed datacenters around the world. The overall Azure platform operates at a 99.90% availability for computation, SQL Database and Storage thereby maximizing uptime availability for the ERAD-Prepaid™ application. Microsoft Azure has resiliency and DR built in to its services platforms. These platforms also provide capabilities that support system availability through a variety of disaster recovery



scenarios, so that the mission critical ERAD-Prepaid™ applications can be available to clients with minimal disruption in service.

The Plan will identify resources involved in contingency operations, problem management and escalation procedures. Any changes to content must be approved by the state in advance.

ERAD Response: Microsoft Azure maintains 22 datacenters around the world. This architecture supports a variety of disaster recovery scenarios including the system-provided geo-replication of the ERAD-Prepaid™ application and storage to secondary data centers. Utilizing this automated redundancy configuration ensures DPS 99.90% system availability.

ERAD operations are decentralized, which means that we offer DPS a more fault-tolerant solution in the event of a disaster. With operations in Florida and Texas, complimented by partner support in Georgia and California, DPS can be confident that all our support services will be available even if an ERAD operational center becomes temporarily unavailable.

The Disaster Recovery Plan shall include the actions and proposed approach the provider would take under the following scenarios:

a. System goes down completely at provider's network or DPS.

ERAD Response: Microsoft Azure maintains 22 datacenters around the world and ERAD operates the ERAD-Prepaid™ application and data storage in 3 geographically diverse centers. If the primary data center hosting ERAD-Prepaid™ becomes unavailable or communications to and from that data center are unavailable, Microsoft automatically switches access to the ERAD-Prepaid™ Platform from the primary center to one of three geographically diverse centers. This ensures DPS will have virtually uninterrupted access to the ERAD-Prepaid™ Platform. The ERAD-Prepaid™ Platform is configured to be accessible from any Internet capable device. If the DPS network is unavailable or a power outage renders a DPS facility unusable, DPS personnel can still access the ERAD-Prepaid™ Platform from an alternate physical location, via a mobile device, or using a laptop connected to a hotspot.

b. During the scheduled maintenance of the provider.

ERAD Response: ERAD will use its best efforts to notify DPS at least 2 weeks in advance of any planned updates or maintenance, and if the updates or maintenance will require more than 2 hours of system unavailability. Every effort will be made to install system updates and provide required maintenance during non-business hours.

Any outage due to physical or natural disaster damage at the provider's system.

ERAD Response: Microsoft Azure maintains 22 datacenters around the world and ERAD maintains the applications and data storage in 3 geographically diverse centers. If the primary data center is unavailable, or communications to and from the primary data center are unavailable, Microsoft automatically switches access to the ERAD-Prepaid™ Platform from the primary center to one of three geographically diverse centers. This ensures DPS will have virtually uninterrupted access to the ERAD-Prepaid™ Platform.





C.3. Non-Mandatory Specification/Requirements

Non-Mandatory requirements are considered added-value. Bidder should provide detailed information for additional features/functions listed, describe how each of these items will be provided or accomplished. Bidder’s response must state if the feature/function is available or unavailable and include any associated cost. Bidder should provide examples, samples, and or screenshots as applicable to the proposed solution.

C.3.1 The bidder may include investigating tool capable of analyzing data on magnetic stripe and store until retrieved and printed at Headquarters.

ERAD Response: **ERAD-Intel**

The ERAD-Prepaid™ Platform also provides DPS with the ability to read the magnetic stripe from any payment card and determine the card issuer, brand (e.g. Visa, MasterCard, American Express) type (Credit or Debit), category (e.g. Prepaid, Platinum, Standard) and contact information for more than 300,000 Visa, MasterCard, American Express, Diners Club, JCB, China Union Pay programs. This ERAD-Intel functionality is available to all DPS Personnel.

To access this functionality in the ERAD-Prepaid platform, a DPS Trooper will use the “Add Card” option within the applicable case, and swipe the magnetic stripe card through the USB connected card reader. The system will display the name, account number and expiration date read from the magnetic stripe, compare it to the bank information on file, and simultaneously display the available card issuer information. The ERAD-Prepaid™ Platform will retain this information in the applicable Case file. If the information read from the magnetic stripe does not match information printed on the front of the card, the DPS Trooper can supplement the file by inputting additional details about the information printed on the card.

All of the card information is stored within the Case management structure of the ERAD-Prepaid™ Platform for easy retrieval by DPS. Reports can be generated by case, card issuer, card type, and card number, DPS Trooper or Date. These reports are available in .pdf or excel format and accessible to authorized DPS personnel in the field or at Headquarters.

Add Card

Swipe Card or Enter Account Number Below

<p>Case 123456</p> <p>Card Type Other Card ▼</p> <p>Card Number 47010300004812345</p> <p>Card Name SMITH, MICHAEL A</p> <p>Card Expiration 01/19</p> <p>Notes I-95 traffic stop</p>	<p>Issuer Information</p> <p>Brand VISA</p> <p>Type CREDIT</p> <p>Category PLATINUM</p> <p>Issuer Name Grow Financial Federal Credit Union</p> <p>Issuing Country UNITED STATES</p> <p>Website HTTP://WWW.GROWFINANCIAL.ORG/</p> <p>Phone Number Toll-Free: 866-285-8545</p> <p>Principal Contact Address Fraud Investigation: Visa DPS P.O. Box 636001 Highlands Ranch, Colorado U.S.A. 80163-6001</p>
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Save Card



Enhance Balance Retrieval Service (EBRS)

DPS will have access to the ERAD EBRS. This service is included at no additional cost to DPS and is integrated with the ERAD-Prepaid™ program. EBRS provides DPS the ability to determine the available balance on a valid and supported prepaid gift card where DPS was unable to obtain the balance from either the VX-680 or ERAD-Prepaid™ Virtual Terminals. Using the captured card information, ERAD personnel contact the card issuer and, where available, obtain the balance on behalf of DPS. Once available, ERAD provides the balance information to the appropriate DPS personnel who can then freeze or seize the card value.

Retailer Card Seizure Recovery (RCSR)

DPS will have access to the ERAD RCSR. This service is included at no additional cost to DPS and is integrated with the ERAD-Prepaid™ program. RCSR provides DPS the ability to collect funds associated with a retailer gift card. To utilize this service, DPS must first obtain, scan and upload a court order or seizure warrant to the ERAD-Prepaid™ Platform. Once received, ERAD personnel will retrieve the seizure warrant/court order, provide it to the applicable retailer and manage the collection process until the requested funds are deposited in the designated DPS bank account.



ERAD Group, Inc.

T. Jack Williams
President

6 December 2015

Solicitation number: 5850000475

RE: Voluntary Product Accessibility Template (VPAT)

The purpose of this document is to confirm that the magnetic stripe readers also referred to as Consumer Activated Payment Terminals, requested in Solicitation 5850000475 are not applicable to the VPAT. The ERAD card readers are manufactured by Verifone, Inc. who has a 92% share of the credit card terminals used in the US today. Credit card readers such as the VX-680 and many other variations are standard in most merchant locations. These readers have been excluded from Federal Law, and thus the VPAT is not applicable to this solicitation.

Please see below the positional statement from Verifone.

Verifone strives to extend the convenience of its products to all consumers, including those with disabilities. At the present time, there are no federal laws that define disability requirements for Consumer Activated Payment Terminals. (These devices are referred to as "Interactive Transaction Machines or ITMs by the American Disabilities Act [ADA]).

ERAD agrees with the following statement. Certification by Oklahoma Information Technology is not applicable to this solicitation 5850000475.

The Contractor shall indemnify and hold harmless the State of Oklahoma and any Oklahoma Government entity purchasing the products, systems, or applications not requiring development and/or customized by the Contractor from any claim arising out of the Contractor's failure to comply with applicable Oklahoma Information Technology Accessibility Standards subsequent to providing certification of compliance to such Standards.

Sincerely,

T. Jack Williams

8528 Davis Blvd, Suite 134-343
Fort Worth, Texas 76182
Website: www.erad-group.com

Office: 817.576.3655
Office: 571.207.3723

Skype: [tjackwilliams](https://www.skype.com/user/tjackwilliams)
Mobile: 502.609.0109

Email: jack.williams@erad-group.com



The following VPAT provides a sample format used to evaluate IT Standards applicable to Web-Based Internet Information and Applications established in Section 4.3 of the official IT Standards. The standards are based on the Federal Section 508 Electronic and Information Technology Accessibility Standards developed by the Access Board as well as the access guidelines, version 1.0, developed by the Web Accessibility Initiative of the World Wide Web Consortium. These provisions ensure access for people with visual, hearing, motor and cognitive disabilities who rely on various assistive products to access computer-based information, such as screen readers. Screen readers translate the computer screen display into automated audible output and refreshable Braille displays. Certain conventions, such as verbal tags or identification of graphics and format devices, such as frames, are necessary so that these devices can "read" them for the user in a sensible way. The standards do not prohibit the use of Web site graphics or animation. Instead, the standards help ensure that such information is also available in an accessible format. Generally, this means use of text labels or descriptors for graphics and certain format

Responses to "Meet Standard and How" and "Not Applicable and Why" should be completed in detail. Simple "yes" or "comply" answers provide insufficient information necessary to conduct an informed assessment.

Product Name/Description: ERAD-Prepaid Platform

Date VPAT Completed: 12/2/2015

Supplier Name: ERAD Group, Inc.

Name of Person Completing Form: Steven Beckerman

Telephone Number: 727-781-7308

Web-based Internet information and applications - IT Standards Section 4.3 Voluntary Product Accessibility Template
Criteria: (a) A meaningful text equivalent for every non-text element shall be provided (e.g., via "alt", "longdesc", or in element content) except for captioning of audio information which shall comply with (b) of this section.
Supporting Features: Supports
Remarks and explanations: The ERAD-Prepaid Platform uses "alt" text

Criteria: (b) Equivalent alternatives for any multimedia presentation shall be synchronized with the presentation.
Supporting Features: Not Applicable
Remarks and explanations: There are no multi-media presentations in the ERAD-Prepaid Platform

Criteria: (c) Web pages shall be designed so that all information conveyed with color is also available without color, for example from context or markup. Ensure that foreground and background color combinations provide sufficient contrast when viewed by someone having color deficits or when viewed on a black and white screen.

Supporting Features: Supports

Remarks and explanations: Anywhere color is used for visual indications, equivalent text is also presented.

Criteria: (d) Documents shall be organized so they are readable without requiring an associated style sheet.

Supporting Features: Supports

Remarks and explanations: The ERAD-Prepaid Platform uses a flow and tabular layout for data presentation.

Criteria: (e) Redundant text links shall be provided for each active region of a server-side image map.

Supporting Features: Not Applicable

Remarks and explanations: The ERAD-Prepaid Platform does not use server-side image maps.

Criteria: (f) Client-side image maps shall be provided instead of server-side image maps except where the regions cannot be defined with an available geometric shape.

Supporting Features: Not Applicable

Remarks and explanations: The ERAD-Prepaid Platform does not use client-side image maps.

Criteria: (g) Row and column headers shall be identified for data tables.

Supporting Features: Supports

Remarks and explanations: Data tables are clearly marked with row and column headers

Criteria: (h) Markup shall be used to associate data cells and header cells for data tables that have two or more logical levels of row or column headers.

Supporting Features: Supports

Remarks and explanations: Data cells and header cells are clearly marked

Criteria: (i) Frames shall be titled with text that facilitates frame identification and navigation
Supporting Features: Not Applicable
Remarks and explanations: The ERAD-Prepaid Platform does not use frames

Criteria: (j) Pages and elements shall be designed so that screen flicker does not occur between frequencies 2 Hz and 55 Hz.
Supporting Features: Not Applicables
Remarks and explanations: The ERAD-Prepaid Platform does not control screen flicker or refresh rates.

Criteria: (k) A text-only page, with equivalent information or functionality, shall be provided to make a web site comply with the provisions of these standards when compliance cannot be accomplished in any other way. The content of the text-only page shall be updated whenever the primary page changes. The non-accessible version must be as accessible as possible.
Supporting Features: Supports
Remarks and explanations: The system as designed does not present text in a way that would require additional functionality to comply with these standards.

Criteria: (l) When pages utilize scripting or other programmatic elements to display content, the information provided by the script shall also be provided in an equivalent text format that can be processed and interpreted by assistive technology. When pages utilize scripting or other programmatic elements to create user interfaces, user interaction shall be input device independent.
Supporting Features: Supports
Remarks and explanations: The system as designed does not present text in a way that would require additional functionality to comply with these standards.

Criteria: (m) When a web page requires that an applet, plug-in or other application be present on the client system to interpret page content, the page must provide a link to a plug-in or applet that complies with Oklahoma Software Applications and Operating Systems standards (a) through (l).
Supporting Features: Not Applicable
Remarks and explanations: The ERAD-Prepaid Platform does not use applets or plug-ins.

Criteria: (n) When electronic forms are designed to be completed on-line, the form shall allow people using assistive technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.

Supporting Features: Supports

Remarks and explanations: The system allows people using assistive technology to populate appropriate data text fields.

Criteria: (o) A method shall be provided that permits users to skip repetitive navigation links.

Supporting Features: Not Applicable

Remarks and explanations: The system does not use repetitive navigation links.

Criteria: (p) When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required.

Supporting Features: Supports with Exceptions

Remarks and explanations: Additional development will be required to present the user notification when a timely response is required. The ERAD-Prepaid Platform does not automatically prompt to extend session time.

Criteria: (q) Use valid, industry recognized web programming standards including a document type definition or the equivalent.

Supporting Features: Supports

Remarks and explanations: The ERAD-Prepaid Platform uses the HTML5 document type definition across all pages in the application

Criteria: (r) Identify the primary natural language of the document.

Supporting Features: Supports

Remarks and explanations: The natural language of the system is US English and is indicated at the top level of each page. The site does not provide changes to the natural language and all acronyms are identified and expanded through the use of markup tags

Criteria: (s) A link to the agency's Web site accessibility policy (if existing) and contact information for compliance issues related to the accessibility of electronic and information technology shall be included on home pages and other key pages.

Supporting Features: Supports with Exceptions

Remarks and explanations: The ERAD-Prepaid Platform will be enhanced with a link for the user to contact the ERAD compliance officer.



State of Oklahoma
Department of Central Services
Central Purchasing

Web-Based Internet
Information and Applications
VPAT

The following VPAT provides a sample format used to evaluate IT Standards applicable to Web-Based Internet Information and Applications established in Section 4.3 of the official IT Standards. The standards are based on the Federal Section 508 Electronic and Information Technology Accessibility Standards developed by the Access Board as well as the access guidelines, version 1.0, developed by the Web Accessibility Initiative of the World Wide Web Consortium. These provisions ensure access for people with visual, hearing, motor and cognitive disabilities who rely on various assistive products to access computer-based information, such as screen readers. Screen readers translate the computer screen display into automated audible output and refreshable Braille displays. Certain conventions, such as verbal tags or identification of graphics and format devices, such as frames, are necessary so that these devices can "read" them for the user in a sensible way. The standards do not prohibit the use of Web site graphics or animation. Instead, the standards help ensure that such information is also available in an accessible format. Generally, this means use of text labels or descriptors for graphics and certain format

Responses to "Meet Standard and How" and "Not Applicable and Why" should be completed in detail. Simple "yes" or "comply" answers provide insufficient information necessary to conduct an informed assessment.

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Criteria: (a) A meaningful text equivalent for every non-text element shall be provided (e.g., via "alt", "longdesc", or in element content) except for captioning of audio information which shall comply with (b) of this section.
Supporting Features: Supports
Remarks and explanations: The ERAD-Prepaid Platform uses "alt" text

Criteria: (b) Equivalent alternatives for any multimedia presentation shall be synchronized with the presentation.
Supporting Features: Not Applicable
Remarks and explanations: There are no multi-media presentations in the ERAD-Prepaid Platform

Criteria: (c) Web pages shall be designed so that all information conveyed with color is also available without color, for example from context or markup. Ensure that foreground and background color combinations provide sufficient contrast when viewed by someone having color deficits or when viewed on a black and white screen.

Supporting Features: Supports

Remarks and explanations: Anywhere color is used for visual indications, equivalent text is also presented.

Criteria: (d) Documents shall be organized so they are readable without requiring an associated style sheet.

Supporting Features: Supports

Remarks and explanations: The ERAD-Prepaid Platform uses a flow and tabular layout for data presentation.

Criteria: (e) Redundant text links shall be provided for each active region of a server-side image map.

Supporting Features: Not Applicable

Remarks and explanations: The ERAD-Prepaid Platform does not use server-side image maps.

Criteria: (f) Client-side image maps shall be provided instead of server-side image maps except where the regions cannot be defined with an available geometric shape.

Supporting Features: Not Applicable

Remarks and explanations: The ERAD-Prepaid Platform does not use client-side image maps.

Criteria: (g) Row and column headers shall be identified for data tables.

Supporting Features: Supports

Remarks and explanations: Data tables are clearly marked with row and column headers

Criteria: (h) Markup shall be used to associate data cells and header cells for data tables that have two or more logical levels of row or column headers.

Supporting Features: Supports

Remarks and explanations: Data cells and header cells are clearly marked

Criteria: (i) Frames shall be titled with text that facilitates frame identification and navigation
Supporting Features: Not Applicable
Remarks and explanations: The ERAD-Prepaid Platform does not use frames

Criteria: (j) Pages and elements shall be designed so that screen flicker does not occur between frequencies 2 Hz and 55 Hz.
Supporting Features: Not Applicables
Remarks and explanations: The ERAD-Prepaid Platform does not control screen flicker or refresh rates.

Criteria: (k) A text-only page, with equivalent information or functionality, shall be provided to make a web site comply with the provisions of these standards when compliance cannot be accomplished in any other way. The content of the text-only page shall be updated whenever the primary page changes. The non-accessible version must be as accessible as possible.
Supporting Features: Supports
Remarks and explanations: The system as designed does not present text in a way that would require additional functionality to comply with these standards.

Criteria: (l) When pages utilize scripting or other programmatic elements to display content, the information provided by the script shall also be provided in an equivalent text format that can be processed and interpreted by assistive technology. When pages utilize scripting or other programmatic elements to create user interfaces, user interaction shall be input device independent.
Supporting Features: Supports
Remarks and explanations: The system as designed does not present text in a way that would require additional functionality to comply with these standards.

Criteria: (m) When a web page requires that an applet, plug-in or other application be present on the client system to interpret page content, the page must provide a link to a plug-in or applet that complies with Oklahoma Software Applications and Operating Systems standards (a) through (l).
Supporting Features: Not Applicable
Remarks and explanations: The ERAD-Prepaid Platform does not use applets or plug-ins.

Criteria: (n) When electronic forms are designed to be completed on-line, the form shall allow people using assistive technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.

Supporting Features: Supports

Remarks and explanations: The system allows people using assistive technology to populate appropriate data text fields.

Criteria: (o) A method shall be provided that permits users to skip repetitive navigation links.

Supporting Features: Not Applicable

Remarks and explanations: The system does not use repetitive navigation links.

Criteria: (p) When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required.

Supporting Features: Supports with Exceptions

Remarks and explanations: Additional development will be required to present the user notification when a timely response is required. The ERAD-Prepaid Platform does not automatically prompt to extend session time.

Criteria: (q) Use valid, industry recognized web programming standards including a document type definition or the equivalent.

Supporting Features: Supports

Remarks and explanations: The ERAD-Prepaid Platform uses the HTML5 document type definition across all pages in the application

Criteria: (r) Identify the primary natural language of the document.

Supporting Features: Supports

Remarks and explanations: The natural language of the system is US English and is indicated at the top level of each page. The site does not provide changes to the natural language and all acronyms are identified and expanded through the use of markup tags

Criteria: (s) A link to the agency's Web site accessibility policy (if existing) and contact information for compliance issues related to the accessibility of electronic and information technology shall be included on home pages and other key pages.

Supporting Features: Supports with Exceptions

Remarks and explanations: The ERAD-Prepaid Platform will be enhanced with a link for the user to contact the ERAD compliance officer.



MASTER AGREEMENT

By this Master Agreement ("Agreement"), ERAD Group, Inc. (EGI) and Type Full Legal Name of Agency ("Agency") agree as follows:

1. **Introduction.** Agency retains EGI to provide the product, software and/or services (each a "Product") described in fully executed riders to this Agreement (collectively, "Riders" and individually a "Rider").

2. **Term.** This Agreement is effective as of the date of last signature ("Effective Date"), and shall remain in effect until all Riders are terminated.

3. **Fees.**

3.1 Agency shall pay EGI the fees set forth in each Rider. Any fees designated as "implementation," "initial" or "set-up" fees are due in full upon execution of the Rider. All other fees shall be invoiced by EGI monthly. All fees are exclusive of non-standard telecommunications, hardware, software, equipment and travel charges. Travel time, if required and pre-approved by Agency, will be charged at EGI's then current hourly rates.

3.2 EGI may increase "pass through fees" whenever the cost for those items is increased. In addition, EGI may increase other fees on thirty (30) days or more advance written notice after the initial term of a Rider has expired.

3.3 Agency authorizes EGI to collect any amounts owed, and credit any amounts due, via electronic transfer from the account specified in this Agreement ("Operating Account") within 10 days of invoice. Agency shall provide EGI with written notice of any change in its Operating Account within three (3) days of the change. In the event EGI does not collect any amounts due via electronic transfer, Agency shall make payment directly to EGI immediately upon invoice. Fees payable under this Agreement are not subject to reduction or set-off of any kind for any reason.

4. **Products.**

4.1 EGI shall: (i) provide Agency with access to and use of a Product in accordance with EGI's most current documentation and manuals for that Product (collectively, "Specifications") so long as Agency timely pays all applicable fees; (ii) provide Agency with standard reporting, if any, associated with Product usage; and (iii) provide each Product in accordance with all laws and rules applicable to EGI as a provider of those Products.

4.2 Agency shall: (i) comply with all laws and rules associated with its use of a Product, including those that relate to error resolution, and shall use its best efforts

to provide EGI with notice of any laws that impact a Product; (ii) provide any information, data or documents necessary for EGI to provide a Product (collectively, "Data") in accordance with the corresponding Specifications; (iii) not attempt to gain unauthorized access to any system or network operated by, or on behalf of, EGI; (iv) utilize and access each Product solely in accordance with this Agreement and the applicable Rider and Specifications; (v) use each Product solely for its own internal business purposes; (vi) take such measures that EGI deems reasonably necessary to prepare for proper use of a Product; (vii) perform testing and provide reports on the results of Product usage as reasonably requested by EGI; (viii) verify the results of all output and results achieved through use of a Product prior to relying on those results for any business purpose; (ix) cooperate and assist in the identification of any unauthorized use of a Product and the detection of security violations; and (x) be solely responsible for the consequences of, reimburse EGI for all costs, losses and damages associated with, and resolve at its own expense, any unauthorized use of a Product or security violations committed by Agency.

4.3 EGI may modify Products from time to time so long as those changes do not prevent EGI from meeting its obligations to Agency. If Agency requests a change in a Product that requires EGI to modify its hardware or software, hire additional staff or results in additional expense to EGI, then the parties shall negotiate whether and upon what terms the requested change will be made. No agreement to make a change in a Product shall be effective unless committed to in writing and signed by both parties.

5. **Data Transmission, Security and Contingency Planning.**

5.1 Agency shall be solely responsible for the transmission of Data at its own expense, and shall bear any risk of loss resulting from such transmission. In the case of electronic transmission, Data will not be deemed received until receipt is actually confirmed by EGI. If Agency directs EGI to provide Data to a third party, Agency shall provide EGI with written authorization to do so and bear all risk of loss and liability associated with such transmission or access. In addition, EGI shall be held harmless from any claims resulting from the third party's access or use of the Data, and may, in its discretion, require the third party to enter into a written agreement with EGI concerning that access or use.

5.2 Agency acknowledges the inherent risks

associated with conducting business over a public medium like telephone lines, wireless networks and the internet. EGI will use reasonable commercial efforts to protect the security of Data transmitted by Agency, but does not guarantee the ultimate security of that Data.

6. **Limited Warranty.** If there is a material failure of any Product to substantially comply with EGI's most current and applicable Specifications for that Product ("Defect") EGI shall, at its election and as its sole obligation under this Agreement (and as Agency's sole remedy), either: (i) repair or replace the Product so that it conforms to the corresponding Specifications; or (ii) terminate this Agreement and refund any pre-paid fees pertaining to that Product for the time period following the Defect. EGI shall have no obligation with respect to a Defect unless: (a) Agency provides a written description of the Defect to EGI within thirty (30) days of its first occurrence; (b) Agency reasonably assists EGI in its diagnosis and correction; and (c) Agency performs diagnostic and remedial actions requested by EGI. Agency shall pay EGI its then current labor rates for analyzing any irregularity or failure not caused by a covered Defect.

7. **Disclaimer.** Agency shall independently verify that all Products purchased satisfy its needs and requirements. Use of any Product presents risk of errors, omissions, delays and losses, including the inadvertent loss or misstatement of Data. Agency is solely responsible for all results achieved through use of the Products. Under no circumstances shall EGI be liable for a Defect or any loss, claim, demand, penalty, action, cause of action, suit, obligation, liability, damage, delay, cost, expense or attorney's fees, (collectively "Losses"), caused, directly or indirectly, in whole or in part, by: (i) Agency; (ii) a third party; (iii) abuse, misuse, alteration or use of a Product outside of EGI's most current Specifications; (iv) incorrect or incomplete Data; (v) software, hardware or systems not supplied by EGI; or (vi) any other failure not directly attributable to EGI. In the event Agency requests assistance or advice from EGI, Agency shall be solely liable for any and all consequences resulting from that assistance or advice. **EXCEPT AS SPECIFICALLY STATED IN THIS AGREEMENT, ALL SERVICES ARE PROVIDED "AS IS", AND ALL WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF QUALITY, FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY, CONTINUOUS USE, DESIGN, PERFORMANCE OR ERROR-FREE OPERATION, ARE DISCLAIMED IN THEIR ENTIRETY.**

8. **Third Party Services.** As an accommodation to Agency, EGI may permit access to or interconnection with a product or service provided by a third party (each, a "Third Party Service"). Third Party Services are not provided by EGI, and Agency may be required to enter into independent agreements for those products directly with the third party provider. As a result, Agency releases

and forever discharges EGI from any liability whatsoever associated with, or arising out of, any Third Party Service. However, EGI may, if so indicated in a Rider: (i) bill Agency for use of a Third Party Service; and/or (iii) collect amounts owed in connection with a Third Party Service.

9. **Employee Skills.** Agency is ultimately responsible for the successful operation of all Products. Consequently, Agency must employ individuals with sufficient experience and technical expertise to properly operate and maintain Products. Agency shall be solely responsible for ensuring that its employees and other representatives comply with all rules and procedures set forth in any training manual or other document, guide or literature available from EGI, including those that pertain to participation in an electronic funds network or card association.

10. **Confidentiality and Privacy.** Each party shall treat information received from the other party that is designated as confidential ("Confidential Information") as a trade secret and strictly confidential. EGI designates the Products and all information and documentation relating to any Product, together with the financial terms of this Agreement, as its Confidential Information. Agency designates its nonpublic personal information (NPI) as confidential. Each party shall: (i) restrict disclosure of the other party's Confidential Information to employees and agents solely on a "need to know" basis in order to perform obligations and/or exercise rights under this Agreement; (ii) advise its employees and agents of their confidentiality obligations; (iii) use the same degree of care to protect the other party's Confidential Information as it uses to safeguard its own Confidential Information of similar import; and (iv) notify the other party of any unauthorized possession or use of its Confidential Information as soon as possible upon receiving notice of same. Notwithstanding the foregoing, neither party shall be obligated to preserve the confidentiality of any information that: (a) was previously known; (b) is a matter of public knowledge; (c) was or is independently developed; (d) is released for disclosure with written consent; or (e) is received from a third party to whom the information was disclosed without restriction. Disclosure of Confidential Information shall not be precluded if the disclosure is: (1) required by law; or (2) is in response to a valid order of a U.S. court or other governmental body, provided the receiving party gives written notice to the providing party and makes a reasonable effort to obtain a protective order requiring the information to be used only for the purpose set forth in the original order. EGI may use the information it receives from Agency relating to transactions for any of its products or services so long as it complies with its obligations as a third party service provider with respect to NPI under the Gramm-Leach-Bliley Act (Pub. L. 106-102). Upon termination of a Rider for any reason: (x) Agency shall either return or destroy all of EGI's Confidential Information relating to the corresponding Product; and (y) EGI shall destroy any

Agency' Confidential Information received as a consequence of the Product unless, prior to such termination, Agency furnishes EGI with written instructions for the disposition of such items and pays any associated fees.

11. **Marketing.** EGI has marketed and will continue to market the Products, as well as products and services that may be similar to those offered to Agency, to multiple Agencies. EGI shall have the right to include Agency's name in a general listing of users of its products and services, but shall not use any logo or registered trademark owned by Agency without prior written approval.

12. **Relationship.** EGI is an independent contractor. Neither EGI nor any of its representatives are employees, partners or joint ventures of Agency. EGI has the sole obligation to supervise, manage, contract and direct the performance of its obligations under this Agreement. EGI reserves the right to determine who will be assigned to perform its obligations, and to make replacements or reassignments as it deems appropriate.

13. **Intellectual Property.** Agency is not acquiring any copyright, trade secret, patent or other intellectual property right in the Products, or in any related data, software, design, code, program or other item provided or owned by EGI, and EGI shall own all such rights exclusively. Agency shall not alter, obscure or revise any proprietary, restrictive, trademark or copyright notice included with, or affixed or displayed by a Product.

14. **Indemnification.**

14.1 Agency shall indemnify, defend, and hold harmless EGI and its officers, employees, directors and shareholders, in their individual capacities or otherwise, from and against any and all Losses associated with third party claims arising out of: (i) Agency's gross negligence or willful misconduct resulting in personal injury or property damage; (ii) Agency's use of Products or Third Party Services; (iii) inaccurate or incomplete Data; (iv) Agency's failure to comply with applicable law or rules; (v) Agency's failure to comply with the terms of any Third Party Service agreement; (vi) any claim of infringement of intellectual property rights caused by Agency; and (vii) any Customer' claims, actions or suits. (viii) any action that asserts violation of any provision of the Bank Secrecy Act (BSA) regarding disclosure of private information.

14.2 EGI shall indemnify, defend and hold harmless Agency, and its officers, employees, directors and shareholders, in their individual capacities or otherwise, from and against any and all Losses associated with third party claims arising out of: (i) EGI' gross negligence or willful misconduct resulting in personal injury or property damage; (ii) EGI' failure to comply with laws or rules applicable to third party

providers of the Product; or (iii) any claim that a Product infringes a registered U.S. patent or copyright. However, EGI shall have no liability for an infringement claim if it results, in whole or in part, from: (a) use of a Product in combination with computer programs or services owned or licensed by someone other than EGI; or (b) Agency's failure to implement corrections or changes offered by EGI. If a claim of infringement of a registered U.S. patent or copyright has been asserted, or in EGI' opinion is about to be asserted, EGI may, at its option either: (1) procure for Agency the right to continue using the Product; (2) replace or modify the Product so that it becomes non-infringing; (3) terminate the applicable Rider and refund all fees paid for future use of the Product; or (4) fight such action and pay any costs, damages or settlements finally paid by Agency, provided those expenditures were pre-approved by EGI.

14.3 The obligation to provide indemnification under this section is contingent upon: (i) the indemnified party promptly notifying the indemnifying party in writing of any claim; (ii) the indemnifying party having sole control over the defense and settlement of the claim; (iii) the indemnified party reasonably cooperating during defense and settlement efforts; and (iv) the claim not arising, in whole or in part, out of the actions of the indemnified party.

15. **Limitation of Liability.** Under no circumstances shall EGI be liable for any Losses that are not brought to its attention by Agency in writing within thirty (30) days of the earlier of: (i) the date of actual discovery; or (ii) the date they should have been discovered through the exercise of reasonable diligence. No claim arising out of this Agreement may be asserted by Agency more than one (1) year following the date it was discovered or should have been discovered through the exercise of reasonable diligence. EGI' total liability is limited in all cases, in the aggregate, to the amount of fees actually paid by Agency for the corresponding Product during the twelve (12) months preceding the first such claim. EGI shall not be liable for any indirect, incidental, consequential, special, delay or punitive damages whatsoever (including any damages for loss of business profits, business interruption, loss of information or other pecuniary loss) arising out of this Agreement, even if EGI was advised of the possibility of such damage.

16. **Termination and Additional Remedies.**

16.1 In addition to any other available remedies, either party may terminate this Agreement on thirty (30) days advance written notice if the other party: (i) fails to cure a material breach within thirty (30) days of receiving written notice to do so; (ii) is the subject of a dissolution, reorganization, insolvency, moratorium or bankruptcy action that is not dismissed within thirty (30) days of being filed; (iii) suffers the appointment of a receiver, conservator or trustee; (iv) makes a general assignment

for the benefit of creditors; (v) commits any act relating to this Agreement with the intent to defraud the other party; or (vi) discontinues performance of this Agreement because of a binding order of a court or regulatory body. The foregoing termination right expires if the notice of termination is not made within thirty (30) days of the event that gave rise to the termination right.

16.2 The damage that EGI would incur if it terminates in accordance with Subsection 16.1, or if Agency terminates in a manner or for any reason that is not permitted by Subsection 16.1, (collectively, an "Early Termination") are not readily ascertainable. Accordingly, upon the occurrence of such an Early Termination Agency shall pay EGI liquidated damages equal to the greater of: (i) \$100,000.00; or (ii) the average monthly fees incurred pursuant to the terminated Rider(s) during the preceding six (6) months (or such shorter period if not in effect for six (6) months) ("Average Monthly Fees") multiplied by the number of months, or portion thereof, remaining in the then current term. These liquidated damages are in lieu of any lost profits for Early Termination, but are not in lieu of any other damages to which EGI is entitled.

16.3 Due to the likelihood of irreparable injury, each party shall be entitled to an injunction prohibiting any breach of the confidentiality and intellectual property obligations of this Agreement by the other party. Agency shall pay EGI a late fee equal to the lesser of one and one-half percent (1½%) per month or the maximum allowed by law, for any amount remaining unpaid for more than ten (10) days after becoming due. EGI shall have the right to utilize any amounts owed to Agency to pay or reimburse EGI for any amounts owed by Agency.

17. Miscellaneous.

17.1 Agency shall not assign, subrogate or transfer any interest, obligation or right under this Agreement without prior written consent from EGI. Any dissolution, merger, consolidation, reorganization, sale or transfer of a majority of the assets or stock of Agency shall constitute an attempted assignment of this Agreement and be void from its inception. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

17.2 Agency submits to the jurisdiction of, and this Agreement shall be governed by the State and federal laws applicable in, Texas. Venue for any action, claim or controversy arising out of this Agreement shall be in a state court of competent jurisdiction over Tarrant County, Texas. The prevailing party in any such action shall be entitled to its reasonable attorney's fees, costs and expenses.

17.3 Neither party shall have waived its rights under this Agreement absent a specific writing to that

effect signed by the party to be charged. No waiver of a breach shall constitute a waiver of any prior or subsequent breach.

17.4 EGI shall not be liable for any loss, damage or failure due to causes beyond its control, including nuclear detonations, strikes, riots, earthquakes, epidemics, terrorist actions, wars, fires, floods, weather, power failure, telecommunications interruption, the failure or closure of a financial institution, acts of God or any other failure, interruption or error not directly caused, or reasonably anticipated, by EGI.

17.5 The headings that appear in this Agreement are inserted for convenience only and do not limit or extend its scope.

17.6 Each party, and each person signing on behalf of a party, represents and warrants that it has full legal authority to enter into and perform the obligations of this Agreement without any additional consent or approval.

17.7 This Agreement, together with its fully executed Riders, constitutes the entire understanding of the parties with respect to its subject matter, and all prior agreements, understandings and representations are canceled in their entirety.

17.8 This Agreement shall not be construed more strongly against either party, regardless of who is more responsible for its preparation.

17.9 If there is a conflict between this Agreement and any present or future law, the part of this Agreement that is affected shall be curtailed only to the extent necessary to bring it within the requirements of that law.

17.10 All notices given in connection with this Agreement must be in writing and shall be deemed received forty-eight (48) hours after deposit in the mail, postage prepaid, or if given by other means, upon actual receipt. Notices shall be delivered to the appropriate party at its address set forth in this Agreement, or, in the alternative, in the case of notices to Agency, the same address as invoices.

17.11 All fees, expenses and other amounts charged under this Agreement are stated and invoiced net of applicable taxes and similar charges. Agency shall be solely responsible for any taxes or similar charges arising out of this Agreement, excluding EGI's income taxes. Agency shall also be solely responsible for assessing and remitting payment of such items to the appropriate authorities. If EGI is ever required by law to collect a tax or similar charge from Agency, or if Agency is ever required by law to withhold such an amount from any payment due to EGI, the invoice shall be grossed-up as necessary to net EGI the original fee, expense or other

amount, and Agency shall pay the grossed-up amount within the time prescribed for the payment of fees.

Agreement may only be modified by written agreement of the parties. Sections 7, 10, 13, 14 and 15, as well as Subsections 16.3, 17.2 and 17.11, shall survive any termination of this Agreement.

17.12 Except as otherwise indicated, this

TYPE FULL LEGAL NAME OF AGENCY

Type Agency's Address Here
Type City Here, Type State Here, Type Zip Code Here
Tel: Type Telephone Number Here
Fax: Type Fax Number Here

ERAD Group, Inc.
5228 Davis Blvd, Suite 134-343
Fort Worth, TX 76182
Tel: (817) 576-3655
Fax: (727) 498-2984

Signature Date

Signature Date

Print Name and Title

T. Jack Williams, President

Agency's Financial Institution

Agency's Operating Account Number

Transit and Routing Number of Operating Account

Federal Employer Identification Number

Please include a cancelled/voided check or bank letter identifying the deposit account.



ERAD-PREPAID™ RIDER TO MASTER AGREEMENT

This **ERAD-PREPAID** Rider ("Rider") is made pursuant to, and is a part of, the Master Agreement ("Agreement") between ERAD Group, Inc. ("EGI") and Type Full Legal Name of Agency("Agency") dated Type Date of Agreement.

1. **Introduction.** Upon establishing legal authority Agency will use EGI's **ERAD-PREPAID** software ("Product") to access the client processing service ("Client Processing Service") and terminal application(s) ("Terminal Application(s)") described in Exhibits A and B respectively to this Rider (collectively, the "Payment Processing Service") in order to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices; and (ii) freeze and seize funds on prepaid access cards and other prepaid access devices for subsequent deposit to an authorized depository account owned and controlled by Agency.

2. **Term.** This Rider is effective as of the date of last signature ("Rider Effective Date"), and shall remain in effect for an initial period of five (5) years ("Initial Period"). After the Initial Period, this Rider shall be extended automatically for successive three (3) year periods. Either party may terminate this Rider as of the end of the then-current period by giving written notice at least ninety (90) days prior to the end of the that period.

3. **Fees.** In addition to any fees set forth in the attached Exhibits, Agency shall pay EGI the following fees:

Implementation Fee

\$ _____

Balance Inquiry and Freeze Fee

\$0.00 per balance inquiry transaction processed using the Products.
\$0.00 per freeze transaction processed using the Products.

Processing Fee

Seven and seven-tenths (7.7%) percent of the total dollar amount seized, during the term of this contract, using the Payment Processing Service. Each month, EGI will invoice Agency the Processing Fee upon determination by a court of competent jurisdiction that has adjudicated the case which gave rise to the Seizure. Agency will be responsible for paying the Processing Fee unless the court rules the seizure funds must be returned to the defendant.

EGI Pass-Through Fees

Agency must pay any fees, anticipated returns, fines or other third party charges associated with use of the Product (collectively, "Pass-Through Fees"), including, chargebacks, retrievals and fines.

4. **Payment Terminals and the Payment Processing Service.** Agency shall use the Product with the payment processing terminal(s) described in Exhibit B (individually, "Payment Terminal" and collectively, "Payment Terminals") to access the Payment Processing Service. Agency acknowledges that the Payment Processing Service and any bundled services associated with a Payment Terminal is a Third Party Service as defined in the Agreement, and that Agency's rights and obligations associated with same are set forth entirely in Agency's agreements in Exhibits A and B.

5. **License.**

5.1 Agency shall utilize the Product as provided by EGI on the Payment Terminal(s) and/or virtual terminal (i.e., website) in accordance with the instructions and Specifications provided by EGI. Accordingly, and subject to full payment of all applicable fees when due, Agency is granted a limited, non-exclusive, nontransferable license to use the Product to access the Payment Processing Services solely to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices confiscated from criminal suspects; and (ii) freeze or seize funds associated with prepaid access cards and other prepaid access devices confiscated from

criminal suspects. In no event shall Agency use the Product for any credit or debit related purchases. Agency shall have accepted the Product if: (a) it fails to give EGI written notice of any such material failure within that thirty (30) day period; or (b) uses the Product. EGI shall periodically provide access to releases for Agency's installation that update Product to the most current level maintained by EGI. Agency must always maintain Product at the most current release level. EGI shall have no liability for any loss, claim, demand, penalty, action, cause of action, suit, obligation, liability, damage, delay, cost, expense or attorney's fees, (collectively "Losses") arising out of Agency's failure to maintain Product at the most current release level.

5.2 Except as specifically permitted in the applicable Specifications, Agency shall not directly or indirectly: (i) lease, rent, assign, sublicense, transfer, disclose, provide, sell, market, distribute, reproduce or copy the Products; (ii) use or allow the Products to be used by or for the benefit of any third-party, including, without limitation, any successor, parent, affiliate, subsidiary or related agency; (iii) use the Product in a time-sharing arrangement or in the operation of a service bureau; (iv) modify, revise, delete or make additions to the Products; (v) reverse engineer the Products.

5.3 Agency shall keep the Products free and clear of any claim, lien or encumbrance, and any attempt to create a claim, lien or encumbrance on the Products shall be void from its inception. Agency shall be responsible for safeguarding the Products, and shall immediately notify EGI of any unauthorized possession or use.

5.4 EGI may, at its option, enhance Product functionality, utility or efficiency by producing new versions. EGI shall notify Agency of the terms and conditions, including additional charges, if any, required to license and/or maintain such new versions. Any modifications, revisions, deletions or additions to the Product shall be owned exclusively by EGI.

6. **Agency Reports.** Agency will provide EGI detailed reports, no later than the 5th of each month, detailing the case number, status and value of all prepaid access cards seized using the Payment Processing Service. The report will include sufficient detail such that EGI can independently verify accuracy of the information. EGI reserves the right to audit Agency records related to the status of cases involving the Payment Processing Service.

7. **Data Security.** Agency shall be solely responsible for the security of any network, platform or device used to access the Product. EGI shall provide commercially reasonable assistance with passwords used to access the Product, but all password administration, deletions, changes and ongoing oversight shall be the sole responsibility of Agency.

8. **Exclusivity.** EGI shall be the sole and exclusive provider of the Payment Processing Service to Agency and its affiliates, and neither Agency nor any of its affiliates shall engage a third party to provide the same or similar service, nor shall Agency provide same on its own behalf.

9. **Termination.** In addition to the termination rights provided in the Agreement, this Rider is terminable by EGI if: (i) Agency fails to have probable cause for use of the Product; (ii) Agency uses the Product for a purpose or in any fashion that is inconsistent with the express provisions of this Rider; or (iii) Agency's use of the Product is ruled illegal, in whole or in part, by any court. For the purpose of this Rider, the definition of "Early Termination" set forth in the Agreement is amended to include termination of this Rider by EGI as a consequence of the events described in this subsection.

10. **Definitions and Conflicts.** All capitalized terms not specifically defined in this Rider shall have the same meaning as in the Agreement. In the event of a conflict between the terms of this Rider and the Agreement, this Rider shall control.

TYPE FULL NAME OF AGENCY

ERAD GROUP INC.

Signature

Date

Signature

Date

Name and Title
ERAD Prepaid Rider

T. Jack William, President
Page 2

27 November 2015

EXHIBIT B-1

Purchased Terminal Bundled Solution Agreement

Section 1. Purchased Terminal Bundled Solution Description

1.1 Overview. EGI, shall provide the Purchased Terminal Bundled Solution (PTBS) to Agency in accordance with this Exhibit B-1. Each PTBS Solution consists of a VeriFone terminal device and VeriFone's PAYware Connect with data encryption, bundled with remote terminal management with automated downloads via VeriCentre, Support Services, Buyer Protection Plan Services or Repair Services, whichever the case may be, Priority Exchange Services and VeriFone Connect Services (all such services referred to herein as the "**Services**"), each as further described in this Exhibit B-1. Device types that will be made available as part of the PTBS Solution are as set forth below (**Devices**"). Agency acknowledges that EGI has contracted with VeriFone and with third parties for certain devices and services being provided hereunder, as specified in Exhibit B-2 (the "**Third Party Products and Services**").

1.2 Intentionally Omitted

1.3 Service Term. A minimum service term of three (3) years applies to each PTBS Solution (which includes the first Device) per Agency location, and separately for each additional Device at such location, as set forth in Exhibit B-2 (the "**Minimum Service Term**"). Such Minimum Service Term commences on the earlier of (a) the date a Device is activated on the PAYware Connect Gateway, or (b) two (2) months after EGI ships such Device. At the termination of the Minimum Service Term for each Device, several options are available to Agency with respect thereto, as set forth in Exhibit B-2. If Agency elects to continue the PTBS Solution for such Device, then, subject to Sections 2 and 8 of the Agreement (Term and Termination) and Section 3 in Exhibit B-2, EGI shall continue to provide the PTBS Solution for such Device until such time as Agency deactivates such Device (the "**Additional Service Term**" and with the Minimum Service Term, the "**Service Term**"); any such deactivation shall be effective immediately. Notwithstanding the foregoing, EGI reserves the right to terminate the PTBS Solution for any Device by providing 30 days written notice thereof to Agency at any time during the Additional Service Term for such Device.

1.4 Intentionally Omitted

Section 2. Software License

2.1 License to Device Software. EGI hereby grants Agency a non-exclusive, non-transferable limited license (a) to use the Device software (in object code form only) and/or documentation together with the Devices provided by EGI for the sole purpose of using such Devices, subject to the provisions in any separate license agreement or other document (relating to such software and/or documentation) supplied by EGI to Agency.

Section 3. Expiration or Termination

3.1 Termination of PTBS Solution. EGI shall have the right to terminate this Exhibit B-1 at any time upon ninety (90) days prior written notice to Agency if EGI ceases to offer the PTBS Solution to its customers generally. Upon any such termination: (a) Agency's right to order the applicable PTBS Solution shall terminate, (b) EGI shall no longer provide such PTBS Solution to Agency as of the termination date, and Agency's payment obligations shall terminate.

3.2 Termination of Third Party Products and Services. EGI shall have the right to terminate any Third Party Product or Third Party Services that may be included in the PTBS Solution at any time upon written notice to Agency if EGI's agreement with its product supplier or service provider terminates. EGI shall use commercially reasonable efforts to provide Agency with sixty (60) days written notice of any such termination; however, Agency acknowledges that EGI may not be able to provide such notice under its contractual arrangement with its service provider.

3.3 Effect of Expiration. Upon expiration of the Agreement or upon termination of the Agreement by either party: (a) Agency's right to order the PTBS Solution shall terminate, (b) EGI shall continue to provide the PTBS Solution to Agency with respect to their Devices through the remaining term, (c) EGI shall continue to provide the PTBS Solution to Agency for any Additional Service Terms, subject to termination by Agency by deactivation of the applicable Device or termination by EGI upon written notice.

3.4 Effect of Termination for Breach. In the event of termination of the Agreement for breach by EGI, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above. In the event of termination of the Agreement for breach by Agency, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above.

EXHIBIT B-2

Purchased Terminal Bundled Solution Pricing

Fees for Purchased Terminal Bundled Solution:

The fee amount is based on the specific Device models included

Table 1.0 PTBS Solution Pricing

PTBS Bundle #1	Price
<ol style="list-style-type: none">1. One (1) VX680 GPRS Terminal w/battery, thermal printer2. ERAD software license and Terminal User Guide3. One (1) ERAD Virtual Terminal seat license with reporting tool access4. Three (3) year Priority Exchange Services5. Three (3) year wireless connectivity and processing gateway access for prepaid access card transactions via VeriFone Connect GPRS Wireless Service6. Three (3) year next-day Repair Service if damaged during normal use.7. Excludes applicable sales tax and UPS ground freight	\$1,595.00

PTBS Bundle #2	Price
<ol style="list-style-type: none">1. One (1) VX680 WI-FI Terminal w/ battery, thermal printer2. ERAD software license and Terminal User Guide3. One (1) ERAD Virtual Terminal seat license with reporting tool access4. Three (3) year Priority Exchange Services5. Three (3) year processing gateway access for prepaid access card transactions6. Three (3) year next-day Repair Service if damaged during normal use.7. Excludes applicable sales tax and UPS ground freight	\$1,295.00

PTBS Bundle #3	Price
<ol style="list-style-type: none">1. One (1) VX520 dial/IP Terminal w/power cord, thermal printer2. ERAD software license and Terminal User Guide3. One (1) ERAD Virtual Terminal seat license with reporting tool access4. Three Year Priority Exchange Services5. Three (3) year processing gateway access for prepaid access card transactions6. Three (3) Buyer Protection Plan (BPP) next-day repair service if damaged during normal use.7. Excludes applicable sales tax and UPS ground freight	\$795.00

Other Services	Price
<ol style="list-style-type: none">1. Expedited shipping (excludes air delivery charges)2. Returned terminal for incorrect address/information3. Mini magnetic stripe card reader4. Magnetic Stripe Port Sharing license5. Additional Virtual seat license for transaction processing and report access per year. Internet access required for online portal	<p>\$35.00 each</p> <p>\$25.00 each</p> <p>\$39.00 each</p> <p>\$29.00 each</p> <p>\$120.00/year</p>

Pricing Notes:

- (a) One device is included in each Bundle. Certain devices are only available in the United States.
- (b) Priority Exchange Services are only available to clients in the United States.
- (c) Buyer Protection Plan (BPP) provided for Countertop devices. Repair Services provided for mobile handheld devices.
- (d) Help Desk Support is available to Agency for VeriFone products and services provided with the PTBS Bundles. For any Third Party Product or Service, EGI may extend Help Desk Support to such Third Party Product or Service, or the third party may provide direct support to the customer. The support terms for such Third Party Products and Services are available from EGI upon request.
- (e) For VeriFone's VX devices, VeriShield encryption is supported.
- (f) PTBS Bundle prices are based on IP transactions. A Dial Surcharge of \$0.024 per transaction will apply to any dial transactions.
- (g) The VeriFone Connect Service is a "Third Party Service."
- (h) Pricing is subject to change pursuant to Section 3 of the Agreement; however, any price change shall not apply to any Devices covered by an existing Term.

Device Return

Agency must request a Material Return Authorization from EGI in connection with any return of a Device to EGI under this Exhibit B-2.

Services:

(1) PAYware Connect with Data Encryption Services. PAYware Connect provides transaction routing to enable various transaction types, as well as online reporting. Data encryption services provide encryption of the sensitive credit/debit card track data elements from the Device to the PAYware Connect gateway, at which point the data elements are decrypted and sent to the applicable processor. For VX and MX devices, the VeriShield Protect Terminal Application must be installed in each Device in order to enable the encryption functionality.

Agency will have access to real-time transaction-based reports and terminal management (boarding/disabling) via the PAYware Connect gateway Client console. Agency can track its single or multi-location operations in a consolidated manner.

(2) VeriCentre Service. EGI will remotely manage terminal application software updates to the field on behalf of the Agency via its hosted VeriCentre service. Application updates will be automated during Agency off hours so no Agency action is required to acquire the download.

(3) Help Desk Services. EGI shall provide Agency with support services for the PAYware Connect Gateway. Agency may call the VeriFone Call Centre for Device issues. In such event, VeriFone shall provide Device troubleshooting for Device related problems or restore Device operation if possible and refer Agency to the BPP Services if necessary.

(4) Deployment Services. Prior to shipment, EGI shall perform the ERAD application download and ship the Devices to Agency. Any other additional deployment actions may be subject to additional fees.

(5) Buyer Protection Plan Services for Countertop Devices ("BPP Services")

During the Service Term, Agency may return a countertop device to EGI for repair. EGI shall use commercially reasonable efforts to complete the BPP Services and ship the serviced device back to Agency. EGI shall use only VeriFone-authorized parts on all VeriFone devices serviced. This BPP Service includes out of scope repairs required as a result of acts of nature, spillage and accidental breakage, subject to the limitation set forth below.

Specific BPP Services performed shall consist of the following, as applicable:

- a. Dating Devices in and out of repair process for tracking and reporting
- b. Troubleshooting and diagnostics of Devices to isolate problems
- c. Repairing/replacing defective components including boards and print head mechanisms due to normal wear and tear
- d. Cleaning internal components, cases, keys and accessories
- e. Replacing worn or scratched cases and keys
- f. Replacing scratched or tarnished lenses
- g. Installing applicable Engineering Change Orders
- h. Installing ribbon and paper in printers
- i. Accessories will be repaired or replaced if defective but will NOT be replaced if missing
- j. Testing of Devices (limited to power on and print test, if applicable)
- k. Repackaging in new boxes
- l. Maintaining repair history on all Devices serviced

Consumables: The BPP Services do not include consumable items such as paper, the Device stylus or the wireless Device battery.

Out of Scope Limit: Out of scope repairs are limited to twenty percent (20%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Out of Scope service on all units in excess of the allowed twenty percent.

No Trouble Found Limit: No Trouble Finds are limited to ten percent (10%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Clean and Test service on all units in excess of the allowed 10%.

(6) Repair Services for Mobile Handheld Wireless Devices (“Repair Services”)

EGI shall provide the following repair services for Devices that are VeriFone mobile handheld wireless devices: If it is determined that any Device is defective due to faulty workmanship or defective materials, or that any software component of such unit fails to substantially conform to the written documentation designated by VeriFone for use with such software component, then Agency may return such unit to EGI during the Service Term. Upon receipt of any such unit during the Service Term, EGI shall, at its expense, (1) in EGI’s sole discretion, repair or replace such unit, and (2) ship such unit to return it to its original location. EGI’s obligations hereunder shall arise only if EGI’s examination of the unit in question discloses to EGI’s satisfaction that the claimed defect or nonconformity actually exists and was not caused by any improper installation, testing or use, any misuse or neglect, any failure of electrical power, air conditioning or humidity control, or any act of God, accident, fire or other hazard.

(7) Priority Exchange Service

In the event that EGI’s Help Desk determines that a replacement is required for a failed unit of Device, EGI will initiate the shipment of such replacement device to Agency. Orders logged by the Help Desk **before** 5:00PM ET, Monday through Friday will be shipped the same day for next business day delivery. Orders logged by the Help Desk **at or after** 5:00PM ET, Monday through Friday, will be shipped the next business day, via standard overnight delivery. EGI-designated holidays are excluded. EGI will not be liable for any delays in order processing due to inaccurate or incomplete orders.

Prior to shipment, EGI shall perform the following services, as applicable, with respect to each unit:

1. Configure the Device - affix ERAD specific overlay, labels, and keypad covers, as applicable
2. Hardware testing - power up and test the Device
3. Download ERAD applications on the Device
4. Include ERAD instruction sheets with the replacement Device

Delivery of the replacement unit shall be via overnight courier, shipping and handling pre-paid. The Agency site shall be responsible for installing the replacement unit.

Supply items: Power Packs and cables are not to be returned with the non-functioning Device and should remain at the Agency site location. Power packs and cables are considered supply items.

Accessories: The stylus device must be returned with the non-functioning device as EGI will deploy a stylus with the functioning device.

For each failed unit of Device replaced by EGI hereunder, EGI shall arrange for retrieval of the defective Device. The Agency site shall be responsible for de-installing the failed unit, packing such unit in the shipping box sent with the replacement unit (pursuant to the instructions enclosed with the replacement unit), and including on the exterior of such box any Material Return Authorization (“MRA”) number enclosed with the replacement unit. EGI shall issue one call tag (dispatch a carrier) for each device. A call tag will include three carrier attempts to pick up the non-functioning device. If the second attempt is unsuccessful, EGI will contact the site to initiate retrieval. If by the third attempt the non-functioning device has still not been retrieved, EGI will contact the site and escalate for follow up. In the event Agency fails to return a failed Device within 45 days, EGI shall notify Agency of such non-recovered Device. In the event the failed unit is not recovered within 60 days after notification, and returned to EGI, EGI will invoice Agency at EGI’s list price for the Device, plus an administration fee of \$100.00. In the event the Device is recovered after invoicing takes place, this price will be credited back to Agency, minus the administration fee.

The repair of retrieved Device is covered under VeriFone’s BPP Services or Repair Services, as set forth above.

(8) VeriFone Connect GPRS Wireless Service

EGI shall provide Agency with its VeriFone Connect Services for the VX680 devices. All internet connectivity is the responsibility of Agency.

Specific terms related to the VeriFone Connect Services are set forth on VeriFone’s website at www.verifone.com/legal/vcra_cpt. In accordance with such pass-through provisions, Agency shall indemnify and hold harmless EGI, VeriFone and VeriFone’s third party service providers, and their officers, employees and affiliates, from and against any and all third party claims, irrespective of the nature of the claims, alleging loss, costs, expenses, damages or injuries (including injuries resulting in death) arising out of or in connection with any breach of such pass through provisions by Agency or a customer, or any claims for libel, slander, or any tangible property damage, personal injury or death, arising in any way, directly or indirectly, in connection with acts or omissions of Agency with respect thereto, or Agency’s use, failure to use, or inability to

use the VeriFone Connect Services, except where the claims result from the gross negligence or willful misconduct of any of the VeriFone or the service provider. Indemnities in this section shall survive the expiration or termination of the Agreement.

Agency shall not remove any SIM cards provided with a Device from such Device, without the express prior written consent of EGI or VeriFone.

EGI may interrupt the VeriFone Connect services at any time and for any period of time, without any liability on its part, if Agency fails to comply with any obligations under this Agreement, or where EGI reasonably deems it necessary to prevent the improper or unlawful use of the VeriFone Connect services.

Agency acknowledges that the VeriFone Connect services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance. VeriFone reserves the right, in its sole discretion, to make improvements to or correct any error or omissions in the VeriFone Connect services which may or may not affect access to the VeriFone Connect services.

WITH REGARD TO THE VERIFONE CONNECT SERVICES: (1) NEITHER EGI NOR VERIFONE SHALL BE LIABLE TO AGENCY FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: (I) FACILITIES, EQUIPMENT, SOFTWARE, APPLICATIONS, SERVICES OR CONTENT PROVIDED BY AGENCY OR THIRD PARTIES, (II) SERVICE INTERRUPTIONS, DEGRADATION, ERRORS, DELAYS OR DEFECTS OF TRANSMISSION, (III) UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION OR LOSS OR DESTRUCTION OF AGENCY OR THIRD PARTY'S APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORK OR SYSTEMS BY ANY MEANS, OR (IV) ANY ACT OR OMISSION OF AGENCY OR A THIRD PARTY; AND (2) NEITHER EGI NOR VERIFONE IS LIABLE FOR ANY DELAYS IN SERVICE IMPLEMENTATION OR DELIVERY.

TYPE FULL LEGAL NAME OF AGENCY

Signature

Date

Name and Title



ERAD-PREPAID™ RIDER TO MASTER AGREEMENT

This **ERAD-PREPAID** Rider ("Rider") is made pursuant to, and is a part of, the Master Agreement ("Agreement") between ERAD Group, Inc. ("EGI") and Type Full Legal Name of Agency ("Agency") dated Type Date of Agreement.

1. **Introduction.** Upon establishing probable cause, Agency will use EGI's **ERAD-PREPAID** software ("Product") to access the client processing service ("Client Processing Service") and terminal application(s) ("Terminal Application(s)") described in Exhibits A and B respectively to this Rider (collectively, the "Payment Processing Service") in order to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices; and (ii) freeze or seize funds on prepaid access cards and other prepaid access devices for subsequent deposit to an authorized depository account owned and controlled by Agency.

2. **Term.** This Rider is effective as of the date of last signature ("Rider Effective Date"), and shall remain in effect for an initial period of five (5) years ("Initial Period"). After the Initial Period, this Rider shall be extended automatically for successive three (3) year periods. Either party may terminate this Rider as of the end of the then-current period by giving written notice at least ninety (90) days prior to the end of the that period.

3. **Fees.** In addition to any fees set forth in the attached Exhibits, Agency shall pay EGI the following fees:

Implementation Fee

\$ _____

Balance Inquiry and Freeze Fee

\$0.00 per balance inquiry transaction processed using the Products.

\$0.00 per freeze transaction processed using the Products.

Seizure Fee

5.7 % of the total dollar amount seized using the Products.

EGI Pass-Through Fees

Agency must pay any fees, anticipated returns, fines or other third party charges associated with use of the Product (collectively, "Pass-Through Fees"), including but not limited to, chargebacks, retrievals and fines.

4. **Payment Terminals and the Payment Processing Service.** Agency shall use the Product with the payment processing terminal(s) described in Exhibit B (individually, "Payment Terminal" and collectively, "Payment Terminals") to access the Payment Processing Service. Agency acknowledges that the Payment Processing Service and any bundled services associated with a Payment Terminal is a Third Party Service as defined in the Agreement, and that Agency's rights and obligations associated with same are set forth entirely in Agency's agreements in Exhibits A and B.

5. **License.**

5.1 Agency shall utilize the Product as provided by EGI on the Payment Terminal(s) and/or virtual terminal(s) (i.e., website) in accordance with the instructions and Specifications provided by EGI. Accordingly, and subject to full payment of all applicable fees when due, Agency is granted a limited, non-exclusive, nontransferable license to use the Product to access the Payment Processing Services solely to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices confiscated from criminal suspects; and (ii) freeze and seize funds associated with prepaid access cards and other prepaid access devices confiscated from criminal suspects. In no event shall Agency use the Product for any credit or debit related purchases. Agency shall have accepted the Product if: (a) it fails to give EGI written notice of any such material failure within that thirty (30)

day period; or (b) uses the Product. EGI shall periodically provide access to releases for Agency's installation that update Product to the most current level maintained by EGI. Agency must always maintain Product at the most current release level. EGI shall have no liability for any loss, claim, demand, penalty, action, cause of action, suit, obligation, liability, damage, delay, cost, expense or attorney's fees, (collectively "Losses") arising out of Agency's failure to maintain Product at the most current release level.

5.2 Except as specifically permitted in the applicable Specifications, Agency shall not directly or indirectly: (i) lease, rent, assign, sublicense, transfer, disclose, provide, sell, market, distribute, reproduce or copy the Products; (ii) use or allow the Products to be used by or for the benefit of any third-party, including, without limitation, any successor, parent, affiliate, subsidiary or related agency; (iii) use the Product in a time-sharing arrangement or in the operation of a service bureau; (iv) modify, revise, delete or make additions to the Products; (v) reverse engineer the Products.

5.3 Agency shall keep the Products free and clear of any claim, lien or encumbrance, and any attempt to create a claim, lien or encumbrance on the Products shall be void from its inception. Agency shall be responsible for safeguarding the Products, and shall immediately notify EGI of any unauthorized possession or use.

5.4 EGI may, at its option, enhance Product functionality, utility or efficiency by producing new versions. EGI shall notify Agency of the terms and conditions, including additional charges, if any, required to license and/or maintain such new versions. Any modifications, revisions, deletions or additions to the Product shall be owned exclusively by EGI.

6. **Data Security.** Agency shall be solely responsible for the security of any network, platform or device used to access the Product. EGI shall provide commercially reasonable assistance with passwords used to access the Product, but all password administration, deletions, changes and ongoing oversight shall be the sole responsibility of Agency.

7. **Exclusivity.** EGI shall be the sole and exclusive provider of the Product to Agency and its affiliates, and neither Agency nor any of its affiliates shall engage a third party to provide the same or similar service, nor shall Agency provide same on its own behalf.

8. **Termination.** In addition to the termination rights provided in the Agreement, this Rider is terminable by EGI if: (i) Agency fails to have probable cause for use of the Product; (ii) Agency uses the Product for a purpose or in any fashion that is inconsistent with the express provisions of this Rider; or (iii) Agency's use of the Product is ruled illegal, in whole or in part, by any court.. For the purpose of this Rider, the definition of "Early Termination" set forth in the Agreement is amended to include termination of this Rider by EGI as a consequence of the events described in this subsection.

9. **Definitions and Conflicts.** All capitalized terms not specifically defined in this Rider shall have the same meaning as in the Agreement. In the event of a conflict between the terms of this Rider and the Agreement, this Rider shall control.

TYPE FULL LEGAL NAME OF AGENCY

ERAD GROUP INC.

Signature

Date

Signature

Date

Name and Title

T. Jack William, President

EXHIBIT B-1

Purchased Terminal Bundled Solution Agreement

Section 1. Purchased Terminal Bundled Solution Description

1.1 Overview. EGI, shall provide the Purchased Terminal Bundled Solution (PTBS) to Agency in accordance with this Exhibit B-1. Each PTBS Solution consists of a VeriFone terminal device and VeriFone's PAYware Connect with data encryption, bundled with remote terminal management with automated downloads via VeriCentre, Support Services, Buyer Protection Plan Services or Repair Services, whichever the case may be, Priority Exchange Services and VeriFone Connect Services (all such services referred to herein as the "**Services**"), each as further described in this Exhibit B-1. Device types that will be made available as part of the PTBS Solution are as set forth below (**Devices**"). Agency acknowledges that EGI has contracted with VeriFone and with third parties for certain devices and services being provided hereunder, as specified in Exhibit B-2 (the "**Third Party Products and Services**").

1.2 Intentionally Omitted

1.3 Service Term. A minimum service term of three (3) years applies to each PTBS Solution (which includes the first Device) per Agency location, and separately for each additional Device at such location, as set forth in Exhibit B-2 (the "**Minimum Service Term**"). Such Minimum Service Term commences on the earlier of (a) the date a Device is activated on the PAYware Connect Gateway, or (b) two (2) months after EGI ships such Device. At the termination of the Minimum Service Term for each Device, several options are available to Agency with respect thereto, as set forth in Exhibit B-2. If Agency elects to continue the PTBS Solution for such Device, then, subject to Sections 2 and 8 of the Agreement (Term and Termination) and Section 3 in Exhibit B-2, EGI shall continue to provide the PTBS Solution for such Device until such time as Agency deactivates such Device (the "**Additional Service Term**" and with the Minimum Service Term, the "**Service Term**"); any such deactivation shall be effective immediately. Notwithstanding the foregoing, EGI reserves the right to terminate the PTBS Solution for any Device by providing 30 days written notice thereof to Agency at any time during the Additional Service Term for such Device.

1.4 Intentionally Omitted

Section 2. Software License

2.1 License to Device Software. EGI hereby grants Agency a non-exclusive, non-transferable limited license (a) to use the Device software (in object code form only) and/or documentation together with the Devices provided by EGI for the sole purpose of using such Devices, subject to the provisions in any separate license agreement or other document (relating to such software and/or documentation) supplied by EGI to Agency.

Section 3. Expiration or Termination

3.1 Termination of PTBS Solution. EGI shall have the right to terminate this Exhibit B-1 at any time upon ninety (90) days prior written notice to Agency if EGI ceases to offer the PTBS Solution to its customers generally. Upon any such termination: (a) Agency's right to order the applicable PTBS Solution shall terminate, (b) EGI shall no longer provide such PTBS Solution to Agency as of the termination date, and Agency's payment obligations shall terminate.

3.2 Termination of Third Party Products and Services. EGI shall have the right to terminate any Third Party Product or Third Party Services that may be included in the PTBS Solution at any time upon written notice to Agency if EGI's agreement with its product supplier or service provider terminates. EGI shall use commercially reasonable efforts to provide Agency with sixty (60) days written notice of any such termination; however, Agency acknowledges that EGI may not be able to provide such notice under its contractual arrangement with its service provider.

3.3 Effect of Expiration. Upon expiration of the Agreement or upon termination of the Agreement by either party: (a) Agency's right to order the PTBS Solution shall terminate, (b) EGI shall continue to provide the PTBS Solution to Agency with respect to their Devices through the remaining term, (c) EGI shall continue to provide the PTBS Solution to Agency for any Additional Service Terms, subject to termination by Agency by deactivation of the applicable Device or termination by EGI upon written notice.

3.4 Effect of Termination for Breach. In the event of termination of the Agreement for breach by EGI, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above. In the event of termination of the Agreement for breach by Agency, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above.

EXHIBIT B-2

Purchased Terminal Bundled Solution Pricing

Fees for Purchased Terminal Bundled Solution:

The fee amount is based on the specific Device models included

Table 1.0 PTBS Solution Pricing

PTBS Bundle #1	Price
<ol style="list-style-type: none"> 1. One (1) VX680 GPRS Terminal w/battery, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three (3) year Priority Exchange Services 5. Three (3) year wireless connectivity and processing gateway access for prepaid access card transactions via VeriFone Connect GPRS Wireless Service 6. Three (3) year next-day Repair Service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground freight 	\$1,595.00

PTBS Bundle #2	Price
<ol style="list-style-type: none"> 1. One (1) VX680 WI-FI Terminal w/ battery, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three (3) year Priority Exchange Services 5. Three (3) year processing gateway access for prepaid access card transactions 6. Three (3) year next-day Repair Service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground freight 	\$1,295.00

PTBS Bundle #3	Price
<ol style="list-style-type: none"> 1. One (1) VX520 dial/IP Terminal w/power cord, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three Year Priority Exchange Services 5. Three (3) year processing gateway access for prepaid access card transactions 6. Three (3) Buyer Protection Plan (BPP) next-day repair service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground freight 	\$795.00

Other Services	Price
<ol style="list-style-type: none"> 1. Expedited shipping (excludes air delivery charges) 2. Returned terminal for incorrect address/information 3. Mini magnetic stripe card reader 4. Magnetic stripe port sharing software license 5. Additional Virtual seat license for transaction processing and report access per year. Internet access required for online portal 	\$35.00 each \$25.00 each \$39.00 each \$29.00 each \$120.00/year

Pricing Notes:

- (a) One device is included in each Bundle. Certain devices are only available in the United States.
- (b) Priority Exchange Services are only available to clients in the United States.
- (c) Buyer Protection Plan (BPP) provided for Countertop devices. Repair Services provided for mobile handheld devices.
- (d) Help Desk Support is available to Agency for VeriFone products and services provided with the PTBS Bundles. For any Third Party Product or Service, EGI may extend Help Desk Support to such Third Party Product or Service, or the third party may provide direct support to the customer. The support terms for such Third Party Products and Services are available from EGI upon request.
- (e) For VeriFone's VX devices, VeriShield encryption is supported.
- (f) PTBS Bundle prices are based on IP transactions. A Dial Surcharge of \$0.024 per transaction will apply to any dial transactions.
- (g) The VeriFone Connect Service is a "Third Party Service."
- (h) Pricing is subject to change pursuant to Section 3 of the Agreement; however, any price change shall not apply to any Devices covered by an existing Term.

Device Return

Agency must request a Material Return Authorization from EGI in connection with any return of a Device to EGI under this Exhibit B-2.

Services:

(1) PAYware Connect with Data Encryption Services. PAYware Connect provides transaction routing to enable various transaction types, as well as online reporting. Data encryption services provide encryption of the sensitive credit/debit card track data elements from the Device to the PAYware Connect gateway, at which point the data elements are decrypted and sent to the applicable processor. For VX and MX devices, the VeriShield Protect Terminal Application must be installed in each Device in order to enable the encryption functionality.

Agency will have access to real-time transaction-based reports and terminal management (boarding/disabling) via the PAYware Connect gateway Client console. Agency can track its single or multi-location operations in a consolidated manner.

(2) VeriCentre Service. EGI will remotely manage terminal application software updates to the field on behalf of the Agency via its hosted VeriCentre service. Application updates will be automated during Agency off hours so no Agency action is required to acquire the download.

(3) Help Desk Services. EGI shall provide Agency with support services for the PAYware Connect Gateway. Agency may call the VeriFone Call Centre for Device issues. In such event, VeriFone shall provide Device troubleshooting for Device related problems or restore Device operation if possible and refer Agency to the BPP Services if necessary.

(4) Deployment Services. Prior to shipment, EGI shall perform the ERAD application download and ship the Devices to Agency. Any other additional deployment actions may be subject to additional fees.

(5) Buyer Protection Plan Services for Countertop Devices ("BPP Services")

During the Service Term, Agency may return a countertop device to EGI for repair. EGI shall use commercially reasonable efforts to complete the BPP Services and ship the serviced device back to Agency. EGI shall use only VeriFone-authorized parts on all VeriFone devices serviced. This BPP Service includes out of scope repairs required as a result of acts of nature, spillage and accidental breakage, subject to the limitation set forth below.

Specific BPP Services performed shall consist of the following, as applicable:

- a. Dating Devices in and out of repair process for tracking and reporting
- b. Troubleshooting and diagnostics of Devices to isolate problems
- c. Repairing/replacing defective components including boards and print head mechanisms due to normal wear and tear
- d. Cleaning internal components, cases, keys and accessories
- e. Replacing worn or scratched cases and keys
- f. Replacing scratched or tarnished lenses
- g. Installing applicable Engineering Change Orders
- h. Installing ribbon and paper in printers
- i. Accessories will be repaired or replaced if defective but will NOT be replaced if missing
- j. Testing of Devices (limited to power on and print test, if applicable)
- k. Repackaging in new boxes
- l. Maintaining repair history on all Devices serviced

Consumables: The BPP Services do not include consumable items such as paper, the Device stylus or the wireless Device battery.

Out of Scope Limit: Out of scope repairs are limited to twenty percent (20%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Out of Scope service on all units in excess of the allowed twenty percent.

No Trouble Found Limit: No Trouble Finds are limited to ten percent (10%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Clean and Test service on all units in excess of the allowed 10%.

(6) Repair Services for Mobile Handheld Wireless Devices (“Repair Services”)

EGI shall provide the following repair services for Devices that are VeriFone mobile handheld wireless devices: If it is determined that any Device is defective due to faulty workmanship or defective materials, or that any software component of such unit fails to substantially conform to the written documentation designated by VeriFone for use with such software component, then Agency may return such unit to EGI during the Service Term. Upon receipt of any such unit during the Service Term, EGI shall, at its expense, (1) in EGI’s sole discretion, repair or replace such unit, and (2) ship such unit to return it to its original location. EGI’s obligations hereunder shall arise only if EGI’s examination of the unit in question discloses to EGI’s satisfaction that the claimed defect or nonconformity actually exists and was not caused by any improper installation, testing or use, any misuse or neglect, any failure of electrical power, air conditioning or humidity control, or any act of God, accident, fire or other hazard.

(7) Priority Exchange Service

In the event that EGI’s Help Desk determines that a replacement is required for a failed unit of Device, EGI will initiate the shipment of such replacement device to Agency. Orders logged by the Help Desk **before** 5:00PM ET, Monday through Friday will be shipped the same day for next business day delivery. Orders logged by the Help Desk **at or after** 5:00PM ET, Monday through Friday, will be shipped the next business day, via standard overnight delivery. EGI-designated holidays are excluded. EGI will not be liable for any delays in order processing due to inaccurate or incomplete orders.

Prior to shipment, EGI shall perform the following services, as applicable, with respect to each unit:

1. Configure the Device - affix ERAD specific overlay, labels, and keypad covers, as applicable
2. Hardware testing - power up and test the Device
3. Download ERAD applications on the Device
4. Include ERAD instruction sheets with the replacement Device

Delivery of the replacement unit shall be via overnight courier, shipping and handling pre-paid. The Agency site shall be responsible for installing the replacement unit.

Supply items: Power Packs and cables are not to be returned with the non-functioning Device and should remain at the Agency site location. Power packs and cables are considered supply items.

Accessories: The stylus device must be returned with the non-functioning device as EGI will deploy a stylus with the functioning device.

For each failed unit of Device replaced by EGI hereunder, EGI shall arrange for retrieval of the defective Device. The Agency site shall be responsible for de-installing the failed unit, packing such unit in the shipping box sent with the replacement unit (pursuant to the instructions enclosed with the replacement unit), and including on the exterior of such box any Material Return Authorization (“MRA”) number enclosed with the replacement unit. EGI shall issue one call tag (dispatch a carrier) for each device. A call tag will include three carrier attempts to pick up the non-functioning device. If the second attempt is unsuccessful, EGI will contact the site to initiate retrieval. If by the third attempt the non-functioning device has still not been retrieved, EGI will contact the site and escalate for follow up. In the event Agency fails to return a failed Device within 45 days, EGI shall notify Agency of such non-recovered Device. In the event the failed unit is not recovered within 60 days after notification, and returned to EGI, EGI will invoice Agency at EGI’s list price for the Device, plus an administration fee of \$100.00. In the event the Device is recovered after invoicing takes place, this price will be credited back to Agency, minus the administration fee.

The repair of retrieved Device is covered under VeriFone’s BPP Services or Repair Services, as set forth above.

(8) VeriFone Connect GPRS Wireless Service

EGI shall provide Agency with its VeriFone Connect Services for the VX680 devices. All internet connectivity is the responsibility of Agency.

Specific terms related to the VeriFone Connect Services are set forth on VeriFone’s website at www.verifone.com/legal/vcra_cpt. In accordance with such pass-through provisions, Agency shall indemnify and hold harmless EGI, VeriFone and VeriFone’s third party service providers, and their officers, employees and affiliates, from and against any and all third party claims, irrespective of the nature of the claims, alleging loss, costs, expenses, damages or injuries (including injuries resulting in death) arising out of or in connection with any breach of such pass through provisions by Agency or a customer, or any claims for libel, slander, or any tangible property damage, personal injury or death, arising in any way, directly or indirectly, in connection with acts or omissions of Agency with respect thereto, or Agency’s use, failure to use, or inability to

use the VeriFone Connect Services, except where the claims result from the gross negligence or willful misconduct of any of the VeriFone or the service provider. Indemnities in this section shall survive the expiration or termination of the Agreement.

Agency shall not remove any SIM cards provided with a Device from such Device, without the express prior written consent of EGI or VeriFone.

EGI may interrupt the VeriFone Connect services at any time and for any period of time, without any liability on its part, if Agency fails to comply with any obligations under this Agreement, or where EGI reasonably deems it necessary to prevent the improper or unlawful use of the VeriFone Connect services.

Agency acknowledges that the VeriFone Connect services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance. VeriFone reserves the right, in its sole discretion, to make improvements to or correct any error or omissions in the VeriFone Connect services which may or may not affect access to the VeriFone Connect services.

WITH REGARD TO THE VERIFONE CONNECT SERVICES: (1) NEITHER EGI NOR VERIFONE SHALL BE LIABLE TO AGENCY FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: (I) FACILITIES, EQUIPMENT, SOFTWARE, APPLICATIONS, SERVICES OR CONTENT PROVIDED BY AGENCY OR THIRD PARTIES, (II) SERVICE INTERRUPTIONS, DEGRADATION, ERRORS, DELAYS OR DEFECTS OF TRANSMISSION, (III) UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION OR LOSS OR DESTRUCTION OF AGENCY OR THIRD PARTY'S APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORK OR SYSTEMS BY ANY MEANS, OR (IV) ANY ACT OR OMISSION OF AGENCY OR A THIRD PARTY; AND (2) NEITHER EGI NOR VERIFONE IS LIABLE FOR ANY DELAYS IN SERVICE IMPLEMENTATION OR DELIVERY.

TYPE FULL LEGAL NAME OF AGENCY

Signature Date

Name and Title

MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page 1 of 3)



EMPSW1805

COMPLETE SECTIONS (1-9)

EMPSW1808

Merchant #: _____ Loc. 1 of _____

(1) TELL US ABOUT YOUR BUSINESS

Legal Name: _____ Store #: _____
 DBA/Outlet Name: _____ Last Contact Name: _____
 Address: (No P.O. Box) _____ Suite #: _____ City: _____ State: _____ Zip: _____
 Business Phone: _____ Customer Service Phone: N/A
 Fax Phone: N/A Cell Phone: N/A
 E-Mail Address: steve.beckerman@erad-group.com Website URL Address: N/A
 TIN Type: EIN (Fed Tax ID #) SSN Retrieval Requests: (02) Dedicated 24 hour fax (03) No fax; mail (05) Dispute Mgr.

NOTE: Failure to provide accurate information may result in a withholding of Client funding per IRS regulations.

Name (as it appears on your income tax return) _____ Federal Tax ID# (as it appears on your income tax return) _____ I certify that I am a foreign entity/nonresident alien. (If checked, please attach IRS Form W-8.)

Product/Services you sell: _____
 Time frame from transaction to delivery: % of orders delivered in: 0-7 days _____ % + 8-14 days _____ % + 15-30 days _____ % + over 30 days _____ % = **100%**
 Who performs product/service fulfillment? Direct Vendor _____ If Vendor, add name, address, phone. Other: (specify) _____
 Do you use any third party to store, process or transmit cardholder data? Yes No
 (Examples include, but not limited to: web hosting companies, electronic data capture and loyalty programs.)
 If yes, give name/address: _____
 Please identify any Software used for storing, transmitting, or processing card transactions or authorization requests: _____

(2) OWNERSHIP

State Incorp. _____ Mo/Yr Started: 1/2000 Sole Ownership Partnership Non Profit/Tax Exempt Public Corp. Private Corp. LLC Gov't.
 Owner/Partner/Officer Name: _____ D.O.B.: N/A Social Security #: N/A
 Home Phone: _____ Ownership %: N/A
 Home Address _____ City: _____ State _____ Zip: _____ Country: USA
 Owner/Partner/Officer Name: N/A D.O.B.: N/A Social Security #: N/A
 Home Phone: N/A Ownership %: N/A
 Home Address: N/A City: N/A State: _____ Zip: N/A Country: N/A

(3) BUSINESS FINANCIAL DATA

Total Annual Volume	This Outlet	All Outlets	Average Card Sale Amount	\$ 1,500	Card Present	90 %	Swiped	90 %
MasterCard/Visa	\$ 500,000	\$ 500,000	Highest Sale Amount	\$ 9,000	Internet	0 %	Keyed	10 %
Discover	\$ 10,000	\$ 10,000			Mail Order / Direct Marketing	0 %	Total	100 %
American Express	\$ 100,000	\$ 100,000			Phone Order	10 %		
Voyager	\$ _____	\$ _____			Total	100 %		
WEX	\$ _____	\$ _____						

(4) BANKING AND FUNDING INFORMATION

ABA #: _____ DDA #: _____
 ATTACH A COPY OF FUNDING CHECK OR BANK LETTERHEAD/LOGO SIGNED BY A BANK OFFICER WITH TYPED ABA/DDA. MUST INCLUDE BANK NAME AND ADDRESS.
 Deduct Fees: Daily (excluding Flat Rate) Monthly (fee will apply) Bank Will Fund: Outlet Head Office

(5) ENTITLEMENTS

American Express Debit Package 7 7 7 9 6 0 0 2 EBT SNAP / FNS #: _____
 Voyager Fleet (Participation in Voyager Tax Exempt Program): Yes No (if yes, additional request form required) WEX Full Acquiring WEX (Non-Full Svc) MC Fleet
 American Express Pass Through SE (existing): _____ Pass Through: Split Dial EDC

MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page 2 of 3)

DBA Name:

Loc. _____ of _____

EMPSW1805		(6) EQUIPMENT DETAILS						EMPSW1808	
Rental * Purchase Customer-Owned *Lease	QTY	IP	Equipment Type (i.e., Clover/Terminal/VAR)	Industry Type	Model Code and Name	Unit Price w/o Tax and S&H	For Customer-Owned Equipment Track / Version / Serial #		
R P <input checked="" type="checkbox"/> *L	1	<input checked="" type="checkbox"/>	VAR	Government	Verifone Payware Connect	\$ 0.00			
R P C *L		<input type="checkbox"/>				\$			
R P C *L		<input type="checkbox"/>				\$			
R P C *L		<input type="checkbox"/>				\$			

Shipping and Handling: Standard \$ 19.95 Overnight \$ 35.95 Enable EMV

*See Equipment Lease Agreement for the Terms and Conditions governing your Leased equipment.

(7) FEE SCHEDULE

Product Subscriptions (Monthly)	
Clover Services (Per Station)	(2CS) \$ <u>n/a</u>
Insightics Solution	(49M) \$ <u>n/a</u>
Perka Solution	(2D6) \$ <u>n/a</u>
TransArmor Solution	(3CM) \$ <u>n/a</u>

Compliance Fees	
Monthly Compliance Fee	(38A) \$ <u>0.00</u>
Annual Compliance Fee	(42F) \$ <u>0.00</u>

Mobile Pay	
Mobile Payments Setup Fee	(62S) \$ <u>n/a</u>
Mobile Payments Monthly Fee (Per Terminal ID)	(32Y) \$ <u>n/a</u>

eCommerce/Wireless Solutions	
Payeezy Monthly Fee	(40A) \$ <u>n/a</u>
Global ePricing MC/Visa Service Fee	(897, 898) <u>n/a</u> %
Internet Set-Up Fee	(30R) \$ <u>n/a</u>
Internet Auth Fee	(03R, 04R, 06I, 07I, 435, 0FC) \$ <u>0.05</u>
Internet Service Fee	(394) \$ <u>n/a</u>
Wireless Access Fee (Per User)	(60J) \$ <u>n/a</u>
Other:	\$ _____

Petroleum Services	
Datawire Micronode <input type="checkbox"/> Yes <input type="checkbox"/> No	Datawire Monthly Fee \$ <u>n/a</u>
Voyager Auth Fee	(0D0, 0D1, 0DV) \$ <u>n/a</u>
Sales/Credit Discount	(766, 767) <u>n/a</u> %
WEX Full Service Auth Fee	(0D4) \$ <u>n/a</u>
Sales/Credit Discount	(840, 841, 842, 843) <u>3.50</u> %
Chargeback Fee	(29H) \$ <u>25.00</u>
Retrieval Fee	(29I) \$ <u>7.50</u>
Non-Full Svc Auth Fee	(0B0, 0B1, 0BV) \$ <u>n/a</u>

Start-Up Fees	
Application Fee (Non-Refundable)	(32I) \$ <u>0.00</u>
Reprogramming Fee	(31A) \$ <u>0.00</u>
Debit Set-Up Fee	(31B) \$ <u>0.00</u>
Miscellaneous Fee	(31J) \$ <u>0.00</u>
*Equipment Purchase	(ACH) \$ <u>0.00</u>
Other:	() \$ _____
Total Amount	\$ _____ w/o tax

*Plus applicable State/City/Local sales tax.

Debit Fees	
Bundled Debit (120, 124, 125) (Applies to MC/V/Disc Non-PIN and PIN Debit)	Discount Rate <u>n/a</u> % Sales/Return Trans Fee \$ <u>n/a</u>
UnBundled Debit (018, Key 0-590, Key 0-593) (Applies to PIN Debit Only)	Transaction Fee \$ <u>n/a</u> *

* Plus applicable PIN Debit Network fees.

Miscellaneous Fees* (If Applicable)	
TransArmor Data Protection Token and Encryption	(12E, 12G) \$ <u>0.00</u>
Non-Receipt of PCI Validation	(42G) \$ <u>19.95</u>
Business Advantage Pkg	(40F) \$ <u>0.00</u>
Minimum Processing Fee	(954) \$ <u>0.00</u>
Paper Statement Fee (Default is free electronic statement)	(240) \$ <u>0.00</u>
Chargeback Fee	(205, 725, 20L) \$ <u>10.00</u>
ACH Reject Fee	(401) \$ <u>25.00</u>
Batch Settlement Fee	(227) \$ <u>0.00</u>
Monthly Funding Advantage	(158) _____%
AVS	(405, 406, 407, 408, 07A, 07B, 07C, 069, 079) \$ <u>0.10</u>
Voice Auth	(10B, 10E, 10K, 10Q) \$ <u>0.75</u>
MC/V/Discover Network Access Fee	(505, 504, 526) \$ <u>0.0340</u>
MC License Volume Fee	(818) <u>0.019</u> %
MC Cross Border Fee USD	(605, 606) <u>0.85</u> %
Visa Int'l Service Fee	USD (22A) <u>1.05</u> % Non-USD (22Z) <u>1.45</u> %
American Express Pass Through	(10P) \$ <u>0.00</u>
EBT	(18E, 18I, 02X, 18H) \$ <u>n/a</u>
Other:	\$ _____

*You may be charged, if applicable, additional Card Organization pass through fees and costs for your transactions as described in the Interchange Qualification Matrix and American Express Program Pricing Guide available at www.businesstrack.com.

MERCHANT PROCESSING APPLICATION AND AGREEMENT (Page 3 of 3)

DBA Name: Loc. _____ of _____

(7) FEE SCHEDULE (cont'd)

Pricing Method: (Please select only one)	MC/Visa/Discover Ntwk 2-Tier	MC/Visa/Discover Ntwk 3-Tier	Transaction Fees (Applies to MC/Visa/Discover Ntwk 2-Tier and MC/Visa/Discover Ntwk 3-Tier ONLY)	MC/Visa/Discover Ntwk/American Express Discount Rate	IC Plus ^A
Qualified Discount Rates					
MC/Visa/Discover Ntwk Credit Discount Rate (800, 804, 170)	_____ %	_____ %	MC/V/ Discover Ntwk Credit Trans Fee (001,002,005,006) (015,016) \$ _____	_____ %	0.1 %
MC/Visa/Discover Ntwk/PINless POS *Non-PIN Debit Discount Rate (850, 854, 964, 27P)	_____ %	_____ %	MC/V/ Discover Ntwk/PINless POS Non-PIN Debit Trans Fee (130,131,134,135) (787,788,18C) \$ _____	_____ %	0.1 %
American Express (164, 165)					_____ %
Mid-Qualified Discount Rates (Does not apply to MC / Visa/Discover 2 Tier)					
MC/Visa/Discover Ntwk Credit Discount Rate (810, 814, 990)	_____ %	_____ %	MC/V/ Discover Ntwk Credit Trans Fee (611,612,615,616) (717,718) \$ _____		
MC/Visa/Discover Ntwk *Non-PIN Debit Discount Rate (870, 874, 968)	_____ %	_____ %	MC/V/ Discover Ntwk Non-PIN Debit Trans Fee (140,141,144,145) (791,792) \$ _____		
Non-Qualified Discount Rates					
MC/Visa/Discover Ntwk Credit Discount Rate (820, 824, 994)	_____ %	_____ %	MC/V/ Discover Ntwk Credit Trans Fee (621,622,625,626) (721,722) \$ _____		
MC/Visa/Discover Ntwk *Non-PIN Debit Discount Rate (880, 884, 978)	_____ %	_____ %	MC/V/ Discover Ntwk Non-PIN Debit Trans Fee (150,151,154,155) (795,796) \$ _____		
* Fees do not apply if Bundled Debit is chosen					
MC/V/Discover Ntwk/PINless POS Auth & Return Trans Fee (10A, 10D) (002, 006) (131, 135) (10J, 016, 706, 19E)				\$ _____	\$ _____
Non-Qual Surcharge Fee (30D) (excluding interchange pass-through fees, see Section 6.2) Applies to Non-qualified MC, Visa, Discover Ntwk, and/or Non-PIN Debit Transactions. Rewards Cards Surcharge Rate (20N)				0.00 %	

^A Interchange Rates are variable and are determined by how your transactions clear. Please see your Interchange Rate Schedule for Interchange Rates and Dues/Assessments, and the Interchange Qualification Matrix and American Express Program Pricing for qualification criteria as of the date of this Application. The Interchange Rates and Dues/Assessments are subject to change. American Express has Program Pricing which is not interchange and which is subject to change.

Note: See General Terms and Conditions for early termination fees.

(8) AGREEMENT APPROVAL

On behalf of myself as an individual, and the entity on whose behalf I am signing, (A) I authorize [Servicers], the applicable Card Organizations, and its and their Affiliates, third party subcontractors and/or agents: (i) to use, disclose, and exchange amongst them, the information in the Agreement and information about me personally, (including by requesting, personal and business consumer reports, bank references, and other information as necessary from time to time), for marketing and administrative purposes, verification purposes, purposes under the Merchant Processing Application and Agreement ("MPA"), if approved, and any other uses permitted by law; (ii) to inform me directly about the contents of requested consumer reports (including the name and address of the agency furnishing the report), and (iii) to receive any and all personal and business credit financial information from all references, including banks and consumer reporting agencies, which are hereby released to provide that information; and (B) I certify that: (i) The federal taxpayer identification number and corresponding filing name provided herein are correct; (ii) The statements made and agreed to in this MPA, to which I have not made any alterations or stricken out any language, are true, complete and accurate, and may be relied upon as current unless changed or updated per the Notice provisions of Agreement; (iii) I can read and understand the English language; (iv) I have received and read a copy of the (a) MPA (consisting of Sections 1-9), (b) General Terms and Conditions, (c) Confirmation Page (version [EMP5W1805], and (d) Interchange Rate Schedule. I understand that the Interchange Qualification Matrix and American Express Program Pricing Guide and Your Card Acceptance Guide are available at www.businessstrack.com and the signature below is for the entire contents of the listed documents; v) I have authority to bind the entity on whose behalf I am signing below; I further acknowledge and agree that I will not use my merchant account and/or the Services for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq, as may be amended from time to time or for processing and acceptance of transactions in certain jurisdictions pursuant to 31 CFR Part 500 et seq, and other laws enforced by the Office of Foreign Assets Control (OFAC).

Merchant Business Principal: (Please sign below)

Signature

Print Name: Date:

Title: President Vice President Member L.L.C. Owner Partner

Other:

Signature

Print Name: Date:

Title: President Vice President Member L.L.C. Owner Partner

Other: _____

(SERVICERS): Express Merchant Processing Solutions, (a division of First Data Merchant Services Corporation), and Wells Fargo Bank, N.A., (a member of Visa USA, Inc. and MasterCard International, Inc.)

Signature

(9) PERSONAL GUARANTY

EMPSW1805 In exchange for Express Merchant Processing Solutions, (a division of First Data Merchant Services Corporation), and Wells Fargo Bank, N.A., (a member of Visa USA, Inc. and MasterCard International, Inc.), (the Guaranteed Parties) acceptance of the MPA and the General Terms and Conditions, the undersigned ("Guarantor"): (A) Unconditionally and irrevocably guarantees the full payment and performance of Merchant's obligations (i) as they now exist or as modified under the foregoing agreements, (ii) with or without actual notice of changes, and (iii) during and after the term of the agreements; (B) Waives notice of Merchant's default; (C) Shall indemnify the Guaranteed Parties for any and all amounts due from Merchant; (D) Warrants, with knowledge that Guaranteed Parties are acting in full reliance on the same, this Personal Guarantee of payment and not of collection; (E) Acknowledges that (i) the Guaranteed Parties may proceed in law directly against Guarantor and not Merchant, and (ii) this is a continuing personal guaranty and shall not be discharged or affected for any reason.

Signature (Please sign below):

Signature (Please sign below):

N/A, an individual N/A, an individual

PROCESSOR INFORMATION: Name: First Data Merchant Services
 Address: 1307 Walt Whitman Road, Melville, NY 11747
 URL: www.firstdata.com Customer Service #: 800-273-8191

Please read this entire Agreement. It describes the terms on which we will provide merchant processing Services to you. This summary provides answers to commonly asked questions about your Agreement.

1. **Your Discount Rates and other fees** are calculated based on transactions qualifying for certain program pricing and interchange rates levied by the applicable Card Organization. Transactions that fail to qualify for these rates will be charged an additional fee. Interchange and program pricing levied by the Card Organization is subject to change, (see Section 6 of the General Terms & Conditions).
2. **We may debit your bank account** (also referred to as your Settlement Account) for amounts owed to us.
3. **You are liable for Chargebacks and there are many reasons why a Chargeback may occur.** When they occur we will debit your Settlement Account. See Section 8 of the General Terms & Conditions.
4. **If you wish to dispute any charge or funding,** you must notify us within 60 days of the date of the statement on which the charge or funding appears.
5. **This Agreement limits our liability to you.** See Section 10 of the General Terms & Conditions for further details.
6. **We have assumed certain risks** by agreeing to provide you with the Services. Accordingly, we may take certain actions to mitigate our risk, including termination of this Agreement, and holding monies otherwise payable to you (see Sections 16, 17 and 18 of the General Terms & Conditions).
7. **By executing this Agreement with us** you authorize us and our Affiliates to obtain and share financial and credit information regarding your business and the signers and guarantors of this Agreement until all your obligations to us and our Affiliates are satisfied.
8. **Early Termination Fee:** If you terminate this Agreement prior to the expiration of your initial three year term, you may have to pay an early termination fee. See Section 17 of the General Terms & Conditions.
9. **Arbitration:** This Agreement contains a binding arbitration provision in Section 28 that affects your rights under this Agreement with respect to all Services.

Information about Bank:

- a) Your Bank, who is a Visa and MasterCard Member Bank, is Wells Fargo Bank N.A (**Bank**), 1200 Montego, Walnut Creek, CA 94598, (925) 746-4143.
- b) Bank is the entity approved to extend acceptance of Visa and MasterCard products directly to you and will be a party to the sections of this Agreement listed in Section 2.2.
- c) Bank works with Processor to provide the Services to you with respect to Visa Cards and to MasterCard Cards.
- d) Bank shall, either directly or through Processor, advise you of pertinent Card Organization Rules with which you must comply.
- e) Bank is responsible for and must provide settlement funds to you and will be responsible for all funds held in a reserve.

Your Responsibilities:

- a) You must comply in full at all times with this Agreement (including the Your Card Acceptance Guide), all Card Organization Rules and all Cardholder and customer data security and storage requirements.
- b) You may view and download the Your Card Acceptance Guide at <https://www.businesstrack.com>
- c) You may view and download the Interchange Qualification Matrix and American Express Program Pricing Guide at <https://www.businesstrack.com>.
- d) You may download the Visa and MasterCard rules at: <http://usa.visa.com/merchants/merchant-support/international-operating-regulations.jsp>
<http://www.mastercard.com/us/merchant/support/rules.html>
- e) For your account to stay operational, you must keep fraud and Chargeback levels below Card Organization thresholds.
- f) Please retain a signed copy of your Agreement.

Print Merchant's Business Legal Name:

By signing below, you:

- (i) confirm that you have received and read the Application, General Terms & Conditions [version RSAWT1805, consisting of 12 pages including this Confirmation Page], [Interchange Rate Schedule]; and
- (ii) agree to all terms in this Agreement in your capacity as a person authorized to sign on behalf of the business set out in the Application.

NO SALES REPRESENTATIVE IS AUTHORIZED TO ACCEPT OR AGREE TO ANY ALTERATIONS TO THIS AGREEMENT.

Business Principal:

Signature (Please sign below):

X

 Title Date

Please Print Name of Signer

Ame Change Request Form
North Platform - Merchant Services
**Denotes required fields*



Date:

Effective Date:

*Merchant ID: _____

*Business DBA Name:

Amex Average Ticket: \$1,500.00

Amex Volume: \$100,000.00

Field	*New SE #
American Express Pass Through SE #	

*Fee Sequence Code	*Value
10P (AMEX AUTH FEE)	0
10Q (AMEX VOICE AUTH FEE)	0
205 (AMEX CHARGEBACK FEE)	0

*Merchant Signature: _____ Date: _____

This form should be submitted through Merchant Service Center for processing.



13.6 Contract. Section Six – Bidder Agreements

Bidder shall provide any required software licenses, maintenance, service agreements and any other similar applicable agreements.

ERAD Response: The following contract documents are required to participate in the The ERAD-Prepaid™ Platform and are contained in Exhibit A

- 1) ERAD Agency Prepaid Master Agreement
- 2) ERAD Agency Forfeiture Prepaid Rider
- 3) ERAD Agency Seizure Prepaid Rider
- 4) ERAD Rider Exhibit A FDMS Amex
- 5) ERAD Agency Prepaid Registration



F. PRICE AND COST:

Supplier must submit the price of their proposal in the following format:

F.1 The pricing of the initial set up and renewal options

Description	Cost
Initial set up	\$5,000.00
Hardware	See Table F.1.1
Software License	See Table F.1.2
Installation	Included
Maintenance and support	See Table F.1.2
Training	\$1,500/Day
Total	

Table F.1.1 Hardware Pricing

Description	Cost
VX-680 Wireless Terminal w/ 3yr warranty, 3yr Virtual Terminal Software License	\$1,595.00
Mini Magstripe Reader	
Up to 10 Units	\$39.00
11 – 50 Units	\$34.00
More than 50 Units	\$29.00
Training	Included
Shipping & Handling	\$ Varies

Description	Year 1 renewal option	Year 2 renewal option	Year 3 renewal option	Year 4 renewal option
Virtual Terminal Software License	See Table F.1.2	See Table F.1.2	See Table F.1.2	See Table F.1.2
Maintenance and support	\$ 3,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00

Table F.1.2 Virtual Terminal Software License Pricing

Description	Monthly Cost Per License
1 to 10 Licenses	\$14.95
11 to 25 License	\$13.95
26 to 50 License	\$12.95
51-100 License	\$11.95
101-500 Licenses	\$11.45
501-1,000 Licenses	\$10.95
1001-2,500 Licenses	\$10.45
Over 2,500	\$9.95



F.2. The transaction cost

Transaction per	Per Transaction Fee
0-200	\$ 0.00
201-400	\$ 0.00
401-600	\$ 0.00
601-plus	\$ 0.00

F.3. The Completed forfeiture transaction cases once the funds are awarded to the state by the court.

Amount Forfeited	% fee
\$0-\$500	7.7%
\$501-\$1000	7.7%
\$1000-\$10000	7.7%
\$10001-\$50000	7.7%
\$50001-\$100000	7.7%
\$100001+	7.7%
Total	

F.3.1 Alternate Pricing Option for payment 30 days after funds are seized by DPS.

Amount Seized	% fee
\$0-\$500	5.7%
\$501-\$1000	5.7%
\$1000-\$10000	5.7%
\$10001-\$50000	5.7%
\$50001-\$100000	5.7%
\$100001+	5.7%
Total	



ERAD Group, Inc.

T. Jack Williams
President

9 December 2015

Ms. Cini Zacharia
Office of Management and Enterprise Services
5005 North Lincoln Blvd.
Suite 200
Oklahoma City, OK 73105

Solicitation: 5850000475

Dear Ms. Zacharia:

On behalf of all that are associated with ERAD Group, Inc., we are pleased to provide our response to solicitation number 5850000475.

The use of prepaid cards to launder or transport money is a growing problem for law enforcement around the globe. To counter this real and ever changing threat, Electronic Recovery and Access to Data (ERAD) was developed initially under contract with Department of Homeland Security's *Science and Technology Directorate*. The purpose of this effort was to create and implement a solution for federal/state/local and tribal law enforcement to obtain balances tied to prepaid access devices, also referred to as prepaid debit cards. From this balance inquiry only requirement, ERAD evolved into a far more robust and capable SaaS processing platform tailored to the requirements of law enforcement.

Today, we are able to obtain a balance, freeze that balance, and seize that balance at the time of contact, all in a matter of seconds. While we began with open loop cards such as MasterCard and Visa, we have expanded to include for example merchant cards such as Wal-Mart or Best Buy. As various law enforcement agencies began using the platform, we heard back about improvements we could make. We have greatly expanding our ability to capture magnetic stripe data from credit/debit and prepaid cards for ease of reporting and forensic analysis.

Our handheld terminal solution and virtual terminal, with access via the Internet has been used to impact criminals by securing funds as a result of illicit activities. Our ERAD-Prepaid Platform offers The Oklahoma Department of Public Safety a comprehensive and proven system. One that is capable of meeting the multiplicity of DPS' operational requirements, at the same time utilizing a secure cloud based SaaS processing environment.

Thank you for your consideration of our submission.

Sincerely,

T. Jack Williams

Enclosure:

8528 Davis Blvd, Suite 134-343
Fort Worth, Texas 76182

Office: 817.576.3655
Office: 571.207.3723

Skype: [tjackwilliams](#)
Mobile: 502.609.0109

Website: www.erad-group.com

Email: jack.williams@erad-group.com



**State of Oklahoma
Office of Management and
Enterprise Services
Information Services Division**

Responding Bidder Information

*"Certification for Competitive Bid and Contract" **MUST** be submitted along with the response to the Solicitation.*

1. **RE: Solicitation #** 5850000475

2. **Bidder General Information:**
 FEI / SSN: 46-4416122 VEN ID (if unknown, leave it blank): _____
 Company Name: _____

3. **Bidder Contact Information:**
 Address: 8528 Davis Blvd, Suite 134-343
 City: Fort Worth State: Texas Zip Code: 76182
 Contact Name: _____
 Contact Title: Chief Operating Officer
 Phone #: _____ FAX#: _____
 Email: steve.beckerman@erad-group.com Website: _____

4. **Oklahoma Sales Tax Permit¹:**
 YES – Permit #: _____
 NO - Exempt pursuant to Oklahoma Laws or Rules

5. **Registration with the Oklahoma Secretary of State:**
 YES – Filing Number: 2312530555
 NO - Prior to the contract award, the successful bidder will be required to register with the Secretary of State or must attach a signed statement that provides specific details supporting the exemption the supplier is claiming (www.sos.ok.gov or 405-521-3911).

6. **Workers' Compensation Insurance Coverage:**
 Bidder is required to provide with the bid a certificate of insurance showing proof of compliance with the Oklahoma Workers' Compensation Act.
 YES – include a certificate of insurance with the bid
 NO – attach a signed statement that provides specific details supporting the exemption you are claiming from the Workers' Compensation Act (Note: Pursuant to Attorney General Opinion #07-8, the exemption from 85 O.S. 2001, § 2.6 applies only to employers who are natural persons, such as sole proprietors, and does not apply to employers who are entities created by law, including but not limited to corporations, partnerships and limited liability companies.)²

Steven
Becker
man


 Authorized Signature
 Steven Beckerman

 Printed Name

11/19/2015

 Date
 Chief Operating Officer

 Title

¹ For frequently asked questions concerning Oklahoma Sales Tax Permit, see <http://www.tax.ok.gov/faq/faqbussales.html>
² For frequently asked questions concerning Workers' Compensation Insurance, see [http://www.ok.gov/oid/Consumers/Workers' Compensation/index.html](http://www.ok.gov/oid/Consumers/Workers'_Compensation/index.html)
OME -FORM-CP-076 (05/2013)



**State of Oklahoma
Office of Management and Enterprise Services
Central Purchasing Division**

**Certification for Competitive
Bid and/or Contract
(Non-Collusion Certification)**

NOTE: A certification shall be included with any competitive bid and/or contract exceeding \$5,000.00 submitted to the State for goods or services.

Solicitation or Purchase Order #: 580000475

Supplier Legal Name: ERAD Group, Inc.

SECTION I [74 O.S. § 85.22]:

A. For purposes of competitive bid,

1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
 - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
 - b. to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
 - c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract, nor
 - d. to any collusion with any state agency or political subdivision official or employee as to create a sole-source acquisition in contradiction to Section 85.45j.1 of this title.

B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

SECTION II [74 O.S. § 85.42]:

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

the competitive bid attached herewith and contract, if awarded to said supplier;

OR

the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

Steven
Becker
man

Digitally signed by Steven Beckerman
DN: CN = Steven Beckerman, C = US, O = ERAD Group, Inc.
Date: 2015.11.19 11:38:48 -0400

Supplier Authorized Signature

Steven Beckerman

Printed Name

727-781-7308

Phone Number

727-498-2984

Fax Number

11/19/2015

Certified This Date

Chief Operating Officer

Title

steve.beckerman@erad-group.com

Email



Vendor/Payee Form

Agency: OMES Vendor Management requires the following information for all new non-registered vendors (payees) before payments may be processed. Information is used to establish the payee in the State's PeopleSoft vendor file for payment and procurement activities.

DO NOT use this form for:

- > **Garnishment Payees:** Use OMES Form OSF_GARNVEND located at: http://www.ok.gov/OSF/documents/osf_garnvend.pdf
- > **State Employees:** Use OMES FORM ADD/CHANGES FOR EMPLOYEES/BOARD MEMBERS located at: http://www.ok.gov/OSF/documents/ap_emp_vend.pdf
- > **Vendors pending contract award** to a solicitation released by the division of Central Purchasing or another Oklahoma state agency **MUST** first register online with the state unless exempt per statute. For additional information, please refer to Central Purchasing Vendor Registration located at: http://www.ok.gov/DCS/Central_Purchasing/Vendor_Registration/Index.html.

AGENCY SECTION (To be completed by state agency representative):

State agency should email completed and signed form to vendor.form@omes.ok.gov or fax to 405-522-3663.

Agency Name		Contact Name	
Phone #	Fax #	Email	steve.beckerman@erad-group.com
Agency Request To – Please select all applicable request types			
<input type="checkbox"/> Add New Vendor	<input type="checkbox"/> Update Existing Vendor	PeopleSoft 10-digit Vendor ID	_____
<input type="checkbox"/> Add New Address	<input type="checkbox"/> Change Address/Location	PeopleSoft Address #	_____ PeopleSoft Location # _____
<input type="checkbox"/> Change Vendor Tax ID	<input type="checkbox"/> Change Vendor Name	<input type="checkbox"/> Add Alternate Payee Name	PeopleSoft Location # _____
<input type="checkbox"/> Other	Explain _____		
Vendor 1099 Reportable Status	Attention Paying Agency: Please check the Add box on the left if payments to this vendor/payee are represented by Account Codes listed on page 3 of this form. If the vendor is incorrectly showing as 1099 Reportable, check the Remove box. The PeopleSoft system requires specific details regarding the type of transaction. Please check the box that applies to this vendor:		
<input type="checkbox"/> Add:	<input type="checkbox"/> 1 - Rents	<input type="checkbox"/> 2 - Royalties	<input type="checkbox"/> 3 - Prizes & Awards
<input type="checkbox"/> Remove:	<input type="checkbox"/> 6 - Medical & Health Care	<input type="checkbox"/> 7 - Non-Employee Compensation	<input type="checkbox"/> 10 - Crop Insurance Proceeds
	<input type="checkbox"/> 14 - Gross Proceeds to an Attorney		

VENDOR/PAYEE SECTION (To be completed by vendor/payee)

Please print legibly or type this information. Form must be completed and signed by authorized individual. Email or fax to requesting state agency.

Payee Information: Please provide the requested information for the payee receiving funds from the Oklahoma state agency. All information should match U.S. Internal Revenue Service filing records for the business, individual or government entity receiving payment.			
Name	ERAD Group, Inc.	Contact Name	Steven Beckerman
<i>Payee Legal Name for Business, Individual or Government Entity as filed with IRS</i>		Contact Title	Chief Operating Officer
DBA Name	ERAD Group, Inc.	Phone #	727-781-7308
<i>Doing Business As "DBA", or Disregarded Entity Name if different than Legal Name</i>		Fax #	727-498-2984
Tax Identification Number (TIN) and Type:		<input checked="" type="checkbox"/> Federal Employer ID (FEIN) <input type="checkbox"/> Social Security Number (SSN)	
Business Address -- Please provide primary business address as filed with the U.S. Internal Revenue Service			
Address	8528 Davis Blvd, Suite 134-343	City	Fort Worth
State	Texas	Zip+4	76182
		Remittance Email	steve.beckerman@erad-group.com
Optional Addresses – Please select address type as applicable			
Type:	<input type="checkbox"/> Remitting	<input type="checkbox"/> Ordering	<input type="checkbox"/> Pricing
	<input type="checkbox"/> Returning	<input type="checkbox"/> Mailing	<input type="checkbox"/> Other:
Address 1			City
State	Zip+4	Remittance Email	
Financial Registration: Please provide contact information for the Authorized Individual who can provide financial information used for ACH Electronic Funds Transfer payment processes. An email will be sent providing instructions for accessing the State of Oklahoma online registration system.			
Name	Steven Beckerman	Title	Chief Operating Officer
Email	steve.beckerman@erad-group.com		

The information below is requested under U.S. Tax Laws. Failure to provide this information may prevent you from being able to do business with the state, or may result in the state having to deduct backup withholding amounts from future payments.

U.S. Taxpayer Identification Number (TIN)

Federal Employer Identification Number (FEIN) 46-4416122 If none, but applied for, date applied _____

U.S. Social Security Number (SSN) _____ If none, but applied for, date applied _____

Entity Filing Classification:

Domestic (U.S.) Sole Proprietor Domestic (U.S.) Partnership Domestic (U.S.) Corporation Type: S Corp

Limited Liability Company Type: _____ Disregarded Entity: YES NO

Domestic (U.S.) Other Explain: _____

Foreign (Non-U.S.) Sole Proprietor* Foreign (Non-U.S.) Partnership* Foreign (Non-U.S.) Corporation* Type: _____

Foreign (Non-U.S.) Other* Explain: _____

FOREIGN VENDOR INSTRUCTIONS: * ADDITIONAL DOCUMENTATION IS REQUIRED.

Please submit the proper U.S. Internal Revenue Service (IRS) Form W-8, Certificate of Foreign Status. Select form below matching the payee's entity or individual description. Please refer to IRS for additional instructions (<http://www.irs.gov/pub/irs-pdf/iw8.pdf>).

- **Form W-8BEN:** Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals). <http://www.irs.gov/pub/irs-pdf/iw8ben.pdf>
- **Form W-BEN-E:** Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities). <http://www.irs.gov/pub/irs-pdf/iw8bene.pdf>
- **Form W-8ECI:** Certificate of Foreign Person's Claim That Income is Effectively Connected With the Conduct of a Trade or Business in the United States. <http://www.irs.gov/pub/irs-pdf/iw8eci.pdf>
- **Form W-8EXP:** Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding and Reporting. <http://www.irs.gov/pub/irs-pdf/iw8exp.pdf>
- **Form W-8IMY:** Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding and Reporting. <http://www.irs.gov/pub/irs-pdf/iw8imy.pdf>

This may exempt you from backup withholding. Form W-8 does not exempt you from the 30% (or lower percentage by treaty) non-resident withholding taxes. To claim this exemption, you must file IRS Form 8233 with us. For more information, refer to IRS Publication 519.

SIGNATURE - AND SUBSTITUTE IRS FORM W-9 CERTIFICATION

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement account (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN.

Steven
Becker
man

Digitally signed by: Steven Beckerman
DN: CN = Steven Beckerman C = US O = ERAD Group, Inc.
Date: 2015.11.19 11:41:45 -04'00'

11/19/2015

Signature of Vendor Representative or Individual Payee

Date

Chief Operating Officer

Title of individual signing form for company

ERAD Group, Inc.

Vendor/Payee (Must be the same as Payee Name from page 1)

Account Codes for 1099 Reporting - By Category (TO BE COMPLETED BY AGENCY REPRESENTATIVE)

<input type="checkbox"/> 1 - RENTS 532110 Rent of Office Space 532120 Rent of Land 532130 Rent of Other Building Space 532140 Rent of Equipment and Machinery 532150 Rent of Telecommunications Equip 532160 Rent of Electronic Data Processing Equipment 532170 Rent of Electronic Data Processing Software 532190 Other Rents	<input type="checkbox"/> 1 – RENTS (cont.) 532141 Rent of Motor Vehicles 532142 Lease of Motor Vehicles <input type="checkbox"/> 2 – ROYALTIES 533170 Royalties	<input type="checkbox"/> 3 - PRIZES AND AWARDS 552140 Incentive Awards – Monetary & Material 552160 Incentive Payments – Oklahoma Horse Breeders & Owners 552170 Incentive Payments – Oklahoma Film Enhancement Rebate 553220 Indemnities, Restitution & Settlements
<input type="checkbox"/> 6 - MEDICAL & HEALTH CARE PAYMENTS 515530 Veterinary Services 515700 Offices of Physicians (except Mental Health Specialists) 515710 Offices of Physicians, Mental Health Specialists 515720 Offices of Dentists 515730 Offices of Chiropractors 515740 Offices of Optometrists 515750 Offices of Mental Health Practitioners (except Physicians) 515760 Offices of Physical, Occupational & Speech Therapists, & Audiologists 515770 Offices of Podiatrists 515780 Offices of all other Miscellaneous Health Practitioners 515790 Family Planning Centers 515800 Outpatient Mental Health & Substance Abuse Centers 515810 Other Outpatient Care Centers 515820 Medical and Diagnostic Laboratories	515830 Home Health Care Services 515840 Ambulance Services 515850 All other Ambulatory Health Care Services 515860 General Medical & Surgical Hospitals 515870 Psychiatric & Substance Abuse Hospitals 515880 Specialty Hospitals (except Psychiatric & Substance Abuse) 515890 Nursing Care Facilities 515900 Residential Services for People with Developmental Disabilities 515910 Residential Mental Health & Substance Abuse Facilities 515920 Community Care Facilities for the Elderly 515930 Other Residential Care Facilities 537210 Laboratory Services & Supplies 551230 Medical Services to Indigents (from agencies other than DHS) 551240 Hospital Services to Indigents (from agencies other than DHS) 551250 Other Health Services to Indigents (from agencies other than DHS)	
<input checked="" type="checkbox"/> 7 - NON-EMPLOYEE COMPENSATION 515010 Office of Lawyers 515020 Offices of Notaries 515030 Other Legal Services 515060 Accounting, Tax Preparation, Bookkeeping & Payroll Services 515210 Payments for Contract Mentor Services 515220 Architectural Services 515230 Landscape Architectural Services 515240 Engineering Services 515250 Drafting Services 515260 Building Inspection Services 515270 Geophysical Surveying & Mapping Services 515280 Surveying and Mapping (except geophysical) Services 515290 Testing Laboratories 515300 Interior Design Services 515310 Industrial Design Services 515320 Graphic Design Services 515330 Other Specialized Design Services 515350 Custom Computer Programming Services 515360 Computer Systems Design Services 515370 Computer Facilities Management Services 515380 Other Computer Related Services 515400 Administrative Management & General Management Consulting Services 515410 Human Resources & Executive Search Consulting Services 515420 Marketing Consulting Services 515430 Process, Physical Distribution, & Logistics Consulting Services 515440 Other Management Consulting Services 515450 Environmental Consulting Services 515460 Other Scientific & Technical Consulting Services 515470 Research & Development in the Physical, Engineering, & Life Sciences 515480 Research & Development in the Social Sciences & Humanities 515490 Advertising and Related Services 515500 Marketing Research & Public Opinion Polling 515510 Photographic Services 515520 Translation & Interpretation Services 515540 All other Professional, Scientific and Technical Services 515550 Management of Companies & Enterprises 515560 Office Administrative Services 515570 Employment Placement Services 515580 Business Support Services 515590 Document Preparation Services	515600 Telephone Call Centers 515610 Business Service Centers 515620 Collection Agencies 515630 Credit Bureaus 515640 Other Business Support Services 515650 Investigation & Security Services 515660 Educational Services 515940 Individual & Family Services 515950 Community Food, Housing & Emergency & Other Relief Services 515960 Vocational Rehabilitation Services 515970 Child Day Care Services 515980 Arts, Entertainment and Recreation 515990 Other Services (except Public Administration) 517110 Moving Expense – Employee Transfer 531150 Printing and Binding Contract 531160 Advertising 531170 Informational Services 531190 Exhibitions, Shows and Special Events 531220 Burial Charges 531330 Jury and Witness Fees 531500 Moving Expenses – General 533100 Maintenance & Repair – Other Items 533110 Maintenance & Repair of Buildings & Grounds (outside vendors) 533120 Maintenance & Repair – Equipment (outside vendors) 533130 Maintenance & Repair of Telephone Equipment (outside vendors) 533140 Maintenance & Repair of Data Processing Equipment (outside vendors) 533150 Maintenance & Repair of Data Processing Software (outside vendors) 533190 Maintenance & Repair – Employee Uniforms 545110 Land Improvements 546210 Buildings and Other Structures – Construction and Renovation 546220 Major Maintenance and Repair of Equipment 547110 Highway and Bridge Construction Expense – Contractual 547120 Maintenance and Repairs to Highways and Bridges 547210 Major Maintenance and Renovation – Bridges 552100 Stipends – Other 552120 Teacher Stipends (“Incentive” payments) 552130 Oklahoma Police Corps Stipends 553160 Legal Settlements Reportable to the IRS 554190 Voter Registration Services 561140 Pollution Remediation	
<input type="checkbox"/> 14 - GROSS PROCEEDS TO AN ATTORNEY 553180 Settlements – Paid To/Thru Attorney		



ERAD Group, Inc.

T. Jack Williams
President

6 December 2015

I hereby certify that ERAD Group, Inc. is exempt from the Workers Compensation Act as a Texas Corporation.

T. Jack Williams

8528 Davis Blvd, Suite 134-343
Fort Worth, Texas 76182

Office: 817.576.3655
Office: 571.207.3723
www.erad-group.com
sales@erad-group.com

Skype: [tjackwilliams](https://www.skype.com/people/tjackwilliams)
Email: jack.williams@erad-group.com
Mobile: 502.609.0109



E. 11. P-Cards

The State of Oklahoma has issued payment cards to most State agencies. The current P-Card contract holder utilizes VISA. If awarded a contract, will your company accept the State of Oklahoma approved purchase card:

ERAD Response: Yes, ERAD will accept the Oklahoma approved purchase card.

E.12. Electronic Funds Transfer (EFT)

The State of Oklahoma passed legislation in 2012 requiring funds disbursed from the State Treasury be sent electronically. If awarded a contract will your company accept payment for invoices from the State by EFT:

ERAD Response: Yes, ERAD will accept payment for invoices from the State by EFT.

E 13.1 e) Any exceptions to the solicitations terms and conditions

ERAD Response: ERAD respectfully requests that DPS consider the following modifications to this solicitation and subsequent contract:

A. 26.2 This is a non-exclusive Contract and each party is free to enter into similar agreements with others.

ERAD Response: ERAD believes there are two justifications for this solicitation and subsequent contract to be exclusive to DPS and ERAD. Based on the two points outlined below, ERAD requests that Section A.26.2 be omitted from this solicitation.

1. Interoperability between DPS troops, and the logistics of data sharing to facilitate case analysis, is compromised if DPS uses multiple providers for this program. ERAD believes that the effectiveness of this program will be significantly enhanced by the ability for DPS to aggregate seizure data. Having a single provider allows DPS to have a single point for data collection and more effective forensic analytical tools. Using multiple providers substantially degrades this ability for DPS.
2. The process requested in this Solicitation is protected by US Patent (8,881,976) awarded to ERAD Group, Inc. Any provider, other than ERAD Group, that provides the requested services would be in violation of this patent.

A. 30. Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards (“Standards”) set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template (“VPAT”) describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the



Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

ERAD Response ERAD believes the requirements outlined in the Oklahoma Information Technology Accessibility Standards do not apply to this solicitation because the requested technology is considered payment processing software and will not be made available to the general public.

The technology requested in this Solicitation will only be made available to members of the Oklahoma Law Enforcement community. The ERAD-Prepaid platform was designed using the same accessibility requirements available to merchants, retailers and other providers of the global payment platforms. The modifications required in the Standard are far reaching, cost prohibitive and as such, not practical for the ERAD-Prepaid™ Platform to comply.

In addition, and at the present time, there are no federal laws that define disability requirements for Consumer Activated Payment Terminals (these devices are referred to as Interactive Transaction Machines, or ITMs by the ADA). Both the ERAD-Prepaid™ Virtual Terminal and VeriFone VX-680 hand held terminal are considered ITMs

Based on this position, ERAD requests that Section A.30. be omitted from this solicitation.

A.45.1 Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto.

ERAD Response: The technology provided by ERAD leverages the global payment network infrastructure and is provided to DPS as a Software as a Service (SaaS) solution. There are no unique or specific requirements from this solicitation that require development for the exclusive use by DPS. Further, there will be no transfer of software ownership, nor is use of the ERAD-Prepaid™ Platform considered “work for hire” or will any software be conveyed as part of the services requested by this Solicitation. ERAD Group is the sole and exclusive owner of US. 8,8881,976, ERAD-Prepaid™ intellectual property and the ERAD-Prepaid™ processing methodology.

Based on this position, ERAD requests that Sections 45.1 through 45.7 be omitted from the solicitation.



Amendment of Solicitation

Date of Issuance: 11/23/2015

Solicitation No. 5850000475

Requisition No. 5850002716

Amendment No. 1

Hour and date specified for receipt of offers is changed: [X] No [] Yes, to: 3:00 PM CST/CDT

Pursuant to OAC 580:16-7-30(d), this document shall serve as official notice of amendment to the Solicitation identified above. Such notice is being provided to all suppliers to which the original solicitation was sent.

Suppliers submitting bids or quotations shall acknowledge receipt of this solicitation amendment prior to the hour and date specified in the solicitation as follows:

- (1) Sign and return a copy of this amendment with the solicitation response being submitted; or,
(2) If the supplier has already submitted a response, this acknowledgement must be signed and returned prior to the solicitation deadline. All amendment acknowledgements submitted separately shall have the solicitation number and bid opening date printed clearly on the front of the envelope.

ISSUED BY and RETURN TO:

U.S. Postal Delivery or Personal or Common

Carrier Delivery:

Office of Management and Enterprise Services

ATTN: Cini Zacharia

5005 N. Lincoln Blvd. Suite 200

Oklahoma City, OK 73105

Cini Zacharia

Contracting Officer

Cini.zacharia@omes.ok.gov

E-Mail Address

Description of Amendment:

a. This is to incorporate the following:

A.26.2 This is a non-exclusive Contract and each party is free to enter into similar agreements with others.

Question: We feel that there are two justifications for this solicitation to be exclusive. Based on the two points below we request that 26.2 be omitted from the Solicitation

1. Interoperability and the logistics of data access and data sharing to facilitate case analysis is compromised if a multi-provider solution is made available. In addition to the core functionality of the program, that is to secure a balance, freeze that balance and ultimately seize that balance is only part of the anti-money laundering advantage available to Oklahoma Law Enforcement. Having access to aggregated Oklahoma Law Enforcement data is an important aspect of the program as usage of prepaid access devices continues to grow as the preferred cash transport methodology of criminals. Having one provider allows Oklahoma Law Enforcement agencies a single portal, which will provide an important statewide understanding of criminal activity. With multiple providers, there is not a way to provide interoperability between systems.

2. The process requested in Solicitation 5850000475 is protected by our US Patent (8,881,976). We believe that any provider other than ERAD Group, Inc. would be in violation of this patent, unless they received a license, of which we have not done.

Description of Amendment - continuing

Re: see below

A.30. Supplier shall comply with federal and state laws, rules and regulations related to information technology accessibility, as applicable, including but not limited to Oklahoma Information Technology Accessibility Standards ("Standards") set forth at http://www.ok.gov/cio/documents/isd_itas.pdf and Supplier shall provide a Voluntary Product Accessibility Template ("VPAT") describing such compliance, which may be provided via a URL linking to the VPAT. If the products will require development or customization, additional requirements and documentation may be required and compliance shall be necessary by Supplier. Such requirements may be stated in appropriate documents including but not limited to state bids, request for proposals, statements of work, riders, agreements, purchase orders and Amendments. Accordingly, in each statement of work or similar document issued pursuant to this Contract, Supplier shall describe such compliance and identify, if and as applicable, (i) which exception to the Standards applies or (ii) a description of the tasks and estimated cost to make the proposed products and/or services compliant with applicable Standards.

Question: The technology requested in the Solicitation is available only to members of various Oklahoma Law Enforcement, and not the general population. The ERAD process is built upon the same accessibility requirements resident within the global payments platforms and change to platforms or networks is not possible. As such, we request that requirement A.30 be omitted from Solicitation 5850000475.

Re: see below

A.45.1 Any software developed by the Supplier is for the sole and exclusive use of the State including but not limited to the right to use, reproduce, re-use, alter, modify, edit, or change the software as it sees fit and for any purpose. Moreover, except with regard to any deliverable based on the Utilities, the State shall be deemed the sole and exclusive owner of all right, title, and interest therein, including but not limited to all source data, information and materials furnished to the State, together with all plans, system analysis, and design specifications and drawings, completed programs and documentation thereof, reports and listing, all data and test procedures and all other items pertaining to the work and services to be performed pursuant to this Contract including all copyright and proprietary rights relating thereto.

Question: The technology being provided is built upon the global payments arena and provided to Oklahoma as Software As A Service (SAAS) for law enforcement agencies and departments only. None of the technology or processes that would be used to provide the services of this Solicitation will be developed for, or provided exclusively to Oklahoma. In addition, there is no transfer of any ownership, nor is any work considered "work for hire" or any software be conveyed as part of the services requested within this Solicitation. ERAD ownership includes but not limited to the patent (8,888,976), the ERAD intellectual property, and processing methodology, ERAD Group, Inc. is the sole and exclusive owner of all right, title and interest therein and includes all process and information. As such, we request that all of the elements within sections 45.1 through 45.7 be omitted from the solicitation.

Re: We do not want to limit the scope of the solicitation for all possible bidders at this time through an amendment. . Therefore, we do not agree to the Vendor's request to omit Sections A.26.2, A.30., and A.45.1. To the extent an intent to award is offered. We are more than happy to readdress these issues.

Description of Amendment - continuing

However, while we are happy to readdress these issues and any other exceptions, this ovation does not amount to the foregone conclusion we will accept the Vendor's exceptions, only that we will revisit them.

C.1 provide a fully functional solution that allow Law Enforcement to read and manage data (seize, freeze or return funds) from cards with magnetic stripes containing account numbers and cash balances at the time of contact.

C.2.1.1.c banking information (account number, routing number).

Question: The ERAD process is a fully functional system that provides the services requested in C.1 regarding cash balances on prepaid access devices (referred to as debit cards). The prepaid access device networks do not provide banking information such as bank account number or routing number. For example, many of the prepaid access devices law enforcement will find are a gift cards, and purchased with cash. As such, we request that C.2.1 be omitted from the Solicitation.

Additional information regarding each prepaid access card is available via subpoena sent directly to the issuing financial institution, of which ERAD will assist whenever asked.

Re: In retrospect the Vendor's comments sound reasonable. Would assume all gift type cards composition is universal. The point is well taken and should have been considered some information requires a subpoena. Therefore DPS has no objection to removing C.2.1.1.c

C.2.2.1 The solution shall provide 4" wide receipt printing capabilities (Troops have in --car printers that only allow 4" continuous roll tape).

Question: The terminal solution, VeriFone VX-680 wireless, handheld card reader only accommodates a standard 2" wide receipt paper, which is the standard in the payments industry. This VeriFone terminal is unable to be changed to a 4" wide tape. The ERAD virtual terminal, available as part of the solution includes a print feature that to date, has not been requested. ERAD believes that this print feature would require material changes to their production process and such modification for DPS law enforcement could not be provided by ERAD. ERAD would be pleased to engage in testing the process with to determine the methodology best suited for DPS to accomplish this requirement. As such, ERAD requests that this element, C.2.2.1 be omitted from the Solicitation.

Re: It appears the number C.2.2.1 refers to maintenance and support and not the print tape (C.2.1.7.) as referred to in the question. The solution shall provide a receipt printing capability. DPS does not want to modify any ones system. In other words, DPS wants strictly an off the shelf solution.

Description of Amendment - continuing

b. All other terms and conditions remain unchanged.

ERAD Group, Inc.

Supplier Company Name (PRINT)

1 Dec 2015

Date

T. Jack Williams

Authorized Representative Name (PRINT)

President

Title

T. Jack Williams

Authorized Representative Signature



ERAD Group, Inc.

References:

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37W755 IL Route 38, Suite A.
St. Charles, IL 60175

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Email: mroach@oklahomacounty.org
3. David Miesch
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Tempe, AZ 85287

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Implementation 11 December:

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www.erad-group.com
sales@erad-group.com

Skype: tjackwilliams
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Corporate History:

In 2012, Paymentcard Services, Inc., an established government consulting firm, was awarded a prime development contract from the Department of Homeland Security, Science and Technology Directorate to create and implement a global platform that would process prepaid access devices at time of arrest for balance inquiry, freeze and transfer of funds. The ERAD-Prepaid™ platform is the patented process that combines the understanding of global payments and the requirements of law enforcement. Initial development of the ERAD-Prepaid™ was completed in July 2013.

ERAD Group, Inc. was established in January 2014 as a spin-off from Paymentcard Services, Inc. in order to create a company that was solely focused on deploying and operating the ERAD-Prepaid™ Platform separate from the consultancy business of Paymentcard Services, Inc.. The platform has continued to evolve and now also provides balance inquiry support for retailer gift cards, and with an additional module, presents bankcard issuer information for prepaid, credit and debit cards.

An important element in the original DHS contract was to ensure that ERAD was available to state, county, city and tribal law enforcement agencies to assist in their efforts to counter money laundering with PAD's. ERAD supports that initiative, and is currently operating in 9 States. DHS continues to support ERAD in many ways, including being prominently promoted in their Communities of Practice Website available to law enforcement agencies at every level. Following is an invitation sent by DHS to members of the law enforcement community.

On October 28, 2015, I invited you to join the U.S. Department of Homeland Security's Science and Technology Directorate's (DHS S&T) First Responders Communities of Practice (FR CoP). As you may or may not be aware, DHS funded a prototype prepaid card reader technology that is currently commercially available. In association with ERAD, the company that is now commercializing the card reader, we would like you to participate in our restricted community to relay information and current practices regarding this groundbreaking technology. The collaborative nature of FR CoP allows us to securely share information regarding this prepaid card reader technology while ensuring that it is accessible to a vetted first responder community. If you are unable to locate your invitation, please let Jack Williams (jack.williams@erad-group.com) know. We will be happy to resend an invitation to you.

Department of Homeland Security, Science & Technology Directorate

Key ERAD Staff:

The ERAD Group leadership team has more than 45 years of experience in the payment processing industry.

T. Jack Williams is the President and Founder of ERAD Group, Inc. He brings over 25 years of experience in the payments industry and is responsible for the overall management and strategic direction of the company.

Williams is a payments executive that has designed and implemented over 400 fully operational credit, debit, prepaid and mobile payments programs for major companies globally and is generally acknowledged as one of the most knowledgeable individuals in the world regarding prepaid access devices and mobile payments. He speaks frequently at many events including ACAMS, DHS and payment industry conferences.



In addition to his commercial clients, Jack consults with multiple federal and state law enforcement agencies including DHS, ICE, USSS, DEA, HSI and CBP all of which utilize Mr. Williams as a prepaid access Subject Matter Expert. His expertise ranges from global infrastructure to forensics, targeting the criminal use of prepaid cards to launder money or terrorist finance. He is also an appointee by the Governor of Texas to the Texas Critical Infrastructure Recovery, Texas EBT Task Force and the Texas Counterterrorism Committee. Mr. Williams is also a member of the FBI's InfraGuard program.

Prior to this, Jack was CEO of eCommlink, a multi-national core processor for prepaid Discover, Visa and MasterCard payment cards, mobile remittances and commerce. Previous to joining eCommlink, he was Senior Vice President, Strategic Programs for Tier Technologies. As Senior Vice President, National Processing Company (NPC), Jack was responsible for the national merchant portfolio, managing the authorization, clearing and settlement processing of over 6.0 billion MasterCard and Visa transactions annually.

Prior to his move to NPC, he was Senior Vice President, Marketing with Stored Value Systems (SVS), a division of National City Bank. In 1999, Credit Card Management awarded Jack their *Debit Executive of the Year* award for his achievement in the stored value arena.

Prior to SVS, Jack was Director of Membership Services at Blockbuster Entertainment. In this role he is credited with creating and implementing the world's first electronic gift card program, as well as the launch of the successful Blockbuster Visa co-branded credit card, and the 50 million members Universal Membership Loyalty Card.

Steve Beckerman is the Chief Operating Officer of ERAD Group, and brings over 20 years of experience in the payment processing industry. Steve oversees the operations, logistics and technology for the company's ERAD-Prepaid™ Program.

He previously was General Manager for Tier Corporation's Business Process Outsourcing division where he led the company's Child Support payment processing and customer service operations for 20 States programs. Steve spent 10 years with Certegy Card Services as a senior vice president holding a number of key management positions including; domestic sales, client management, customer service, credit, debit and prepaid card operations, loyalty products and internet banking for more than 18 million accounts from over 5,000 community banks and credit unions. He was a senior vice president with First Data Corporation, managing more than 7 million private label and oil company credit card program representing over \$1B in receivables. Previously Steve was the Chief Financial Officer for Mobil Oil's private label card program responsible for financial performance of the card operations center.

ERAD Representation:

The company is based in Fort Worth, Texas and, including our predecessor company Paymentcard Services, has been in business since March 2009. ERAD Group is not currently or has ever been involved in any litigation. .

The company is financially secure and along with our processing partners First Data Merchant Services and VeriFone, Inc., is able to deliver the services requested in this solicitation.



C.1. Overview

The State of Oklahoma Office of Management and Enterprise Services (OMES) Information Services Division (ISD) on behalf of The Oklahoma Department of Public Safety (DPS), is seeking bids for a proven successful implemented software as a services (SaaS) for card magnetic stripe reader solution that includes 20 portable hardware units with option to purchase additional units - Indefinite Quantity, software and licenses, maintenance and support services, and training necessary to provide a fully functional solution that allow Law Enforcement to read and manage data (seize, freeze or return funds) from cards with magnetic stripes containing account numbers and cash balances at the time of contact.

C.2. Mandatory Specification/Requirements

Mandatory requirements are the minimum capabilities, features, and/or technical standards that must be met by the proposed solution to be determined responsive. The Bidder shall clearly state their ability to meet the Minimum System (technical) requirements and will state how the requirements will be met, what assurances of success the proposed approach will provide. The solution must have the ability to be mounted inside a Law Enforcement cruiser (i.e. Dodge charger, Crown Victoria, etc.)

C.2.1 Technical Specifications

C.2.1.1 The solution shall have the ability to read cards at the point of stop and provide the trooper with information contained on magnetic stripe such as:

a. name (if any recorded in stripe),

ERAD Response: When a magnetic stripe card is swiped through an approved card reader, the ERAD-Prepaid™ Platform will read and display the name or wording encoded on the magnetic stripe.

b. cash balance,

ERAD Response: The ERAD-Prepaid™ Platform will display the available cash balance associated with a prepaid card when the balance information is provided by the bank or retailer issuer. The ERAD-Prepaid™ Platform will also display a zero balance if there are no funds associated with the prepaid gift card.

c. banking information (account number, routing number).

ERAD Response: Banking information (account number, routing number) is not transmitted through the payment card networks and therefore not available on the ERAD-Prepaid™ Platform. However, ERAD can assist DPS in obtaining bank information by identifying the specific bank card issuer and contacting the institution on their behalf. ERAD can also provide support for any forensic investigation that may be required for a DPS trial.

d. ability to capture the identity of the trooper who runs the card.

ERAD Response: Each trooper will receive a unique set of system access credentials and be required to log on with those credentials each time that they access the ERAD-Prepaid™ Platform. User access and activity is tracked throughout the system. All card activity (balance, freeze, seize, claim freeze, void) is recorded and tracked on the ERAD-Prepaid™ Platform, identifying both the DPS user who executed the transaction, and the Case



to which it was assigned. Authorized DPS personnel can access reports that track these activities.

e. ability to produce reports on individual and aggregate activity of trooper(s).

ERAD Response: ERAD offers DPS reporting options at several levels. Troopers can produce activity reports for the specific cases they are assigned and sort them by; case number, date/time, card issuer, retailer and card number. Those individuals with administrative access can produce a number of aggregated reports sorted by trooper, case number, date/time and terminal device. Additional ad-hoc reports can be generated to produce summary results by region or division. All activity reports are available for export to Excel, providing DPS the ability to sort and analyze results tailored to the requirements of each authorized user.

C.2.1.2 The solution shall have the ability to place identified funds on hold for further investigation.

ERAD Response: The ERAD-Prepaid™ Platform provides the ability for an authorized DPS Trooper to place identified funds on a hold or “freeze” for a period of time. Because each card issuer establishes their own policy regarding the number of days they are willing to “hold” those funds, ERAD recommends DPS take the necessary action to secure the appropriate court authority (if required) and “seize” those funds within seven calendar (7) days. While there are some issuers that will extend freeze transactions to as long as 30 days, DPS should assume that a freeze on the identified funds will expire in seven days. The freeze transaction will prevent access to the card’s value by anyone outside of DPS and prevent possible movement of those funds to another card. During this period, criminals will be unable to transfer funds from this account to another account or another card, thus protecting DPS evidence for future seizure and documentation for possible trial.

C.2.1.3 The solution shall have the ability to freeze or seize the funds at stop if sufficient evidence is available.

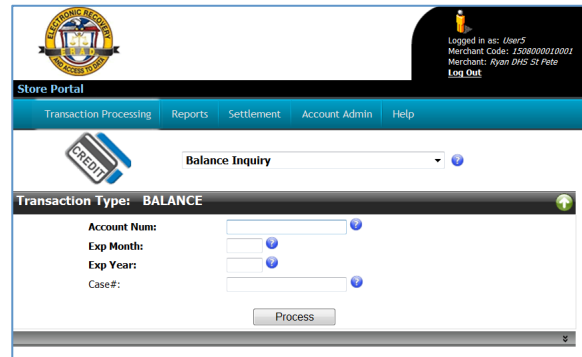
ERAD Response: As outlined above, the ERAD-Prepaid™ Platform will allow an authorized DPS trooper to freeze identified funds at the stop. An authorized DPS trooper may also “seize” funds during the stop. This seize transaction will initiate the transfer of funds from the card issuer to the DPS assigned asset forfeiture account. The transfer of funds is typically completed within three (3) banking days. This seize process is used many times when the criminals claim no knowledge of the cards, or the source of funds used to purchase the cards and disavows ownership. Seizure of funds can be accomplished by using either the keyboard reader attached to the ERAD-Prepaid™ Virtual Terminal, or the VeriFone wireless handheld terminal, both discussed later in this document.



C.2.1.4 The bidder shall describe the process for all scenarios:

a. Balance Inquiry

ERAD Response: An authorized DPS trooper has two options available to obtain the balance associated with an open loop prepaid card – VeriFone VX-680 Terminal and the ERAD-Prepaid™ Virtual Terminal.



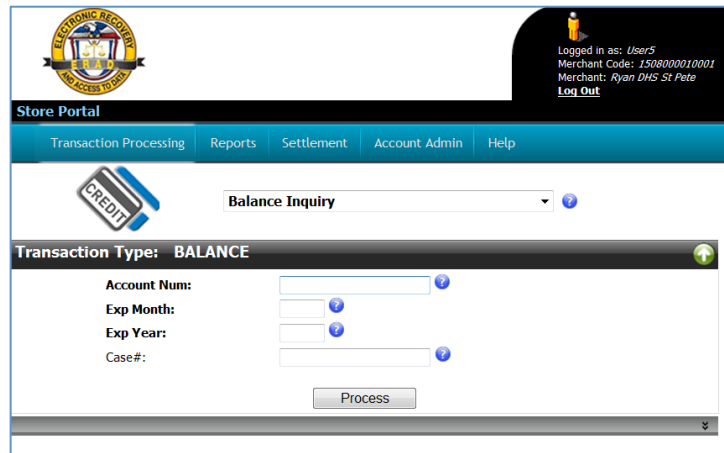
The first option to determine the balance on a Visa, MasterCard, American Express or Discover prepaid card is to access the ERAD-Prepaid™ Platform using a VeriFone VX-680 hand held, wireless terminal loaded with proprietary and patented ERAD software application. The terminal must first be powered-up and a cellular signal acquired prior to accessing the ERAD application. Once the terminal has connected with the VeriFone gateway, the authorized DPS Trooper will log in to the terminal so that all transactions can be identified by their unique 4-digit access number. Once authenticated, the trooper will select “Balance Inquiry” and swipe the magnetic stripe card, thru the card reader slot. The terminal will ask for a case number, and the trooper will enter the applicable numeric case designation. The trooper will then press the green “enter” button and the transaction will be sent to the ERAD gateway, hosted by VeriFone, who will in turn route the transaction to the card issuer/processor, requesting the available balance of that card. If the balance information is available, the issuer/processor will return the balance amount through the payment gateway and display that value, if any, on the VeriFone terminal screen. The trooper will then acknowledge the information by pressing the green “enter” key at which time they will be prompted with an option to print a receipt of the balance inquiry transaction. If the trooper selects the yes option, a receipt will be printed and the terminal will reset to the main ERAD screen where the DPS Trooper can perform a new balance inquiry or another transaction. Additional balance receipts can be printed by repeating the Balance Inquiry process.

In addition to presenting the value associated with a card, the terminal will read other card types such as credit and debit cards. While no value can be provided, the terminal will display a “card not supported” message to alert the trooper that this is not a prepaid card. The trooper can then compare the four digits displayed on the terminal with the last four digits shown on the face of the card to determine if the card has been cloned. If the last four digits on the face of the card do not match the four digits displayed on the terminal, the trooper should note the discrepancy and pursue further action in the investigation.



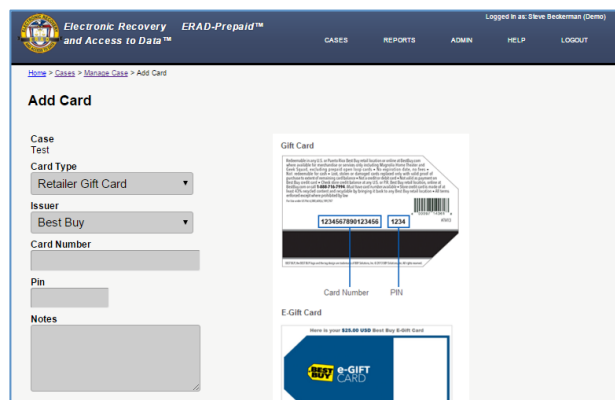
The second option for obtaining a balance on a Visa, MasterCard, American Express or Discover prepaid card is to access the ERAD-Prepaid™ Platform using the ERAD-Prepaid™ Virtual Terminal. Use of this option requires a USB keyboard swipe card reader to capture the card's magnetic stripe data.

The trooper will access the secure ERAD web portal (<https://prepaid.erad-group.com>) and enter their unique log in credentials. Once authenticated, the trooper will select the "Cases" tab; create a new Case, and select "Add Cards" to begin the balance inquiry process. The trooper will be directed to the card entry screen for balance inquiries where they can then swipe the card using the attached card reader and see the full card number, expiration date and name displayed on the screen. The trooper can then compare the information read from the magnetic stripe with the information printed on the front of the card. If the card information does not match, the card has likely been cloned and the trooper should retain this information for further investigation. Following is an example of the screen the Trooper will see when they process a balance inquiry transaction.



The trooper will now select "Process" and, similar to the process described with the VX-680 above, the balance (if any) will be displayed on the screen if the balance information is available from the card issuer/processor. The trooper can then print a receipt for that card if a printer is available, print a .pdf version of a receipt, or process another transaction. A summary receipt option is available if the trooper prefers to print all card balances at one time. Summary transaction reports are available through the Reports portal.

To determine the available balance on a select group of closed loop cards issued by retailers such as Wal-Mart or Best Buy, the Trooper will use the ERAD-Prepaid™ Virtual Terminal shown below.





The Trooper selects the appropriate merchant from the “Issuer” drop down box then key-enters the card number and PIN for that card as shown in the related graphic. For each retailer card selected from the drop down menu, the ERAD-Prepaid™ Platform will display a sample prepaid card for the Trooper to use as a guide to ensure that the proper information is submitted to the merchant. Once entered, the Trooper selects “Submit Card”, and the system will return the current available balance for that card. All card and balance information will be automatically retained in the ERAD-Prepaid™ Platform to facilitate court or case reporting of the activities assigned to this Trooper.

The Trooper can now print a balance receipt or continue to process additional balance inquiries on other retailer cards. This balance information is available to the Trooper in a summary receipt with other balance inquiries or through a variety of case specific reports.

b. Freeze

ERAD Response: We have seen that it does not take criminals much time to affect a card-to-card transfer of funds, making the money nearly impossible to seize.

The ERAD-Prepaid™ Platform provides the ability for an authorized DPS Trooper to place identified funds on a hold or “freeze” for a period of time. Because each card issuer establishes their own policy regarding the number of days they are willing to “hold” those funds, ERAD recommends DPS take the necessary action to secure the appropriate court authority (if required) and “seize” those funds within seven calendar (7) days. While there are some issuers that will “hold” funds for as long as 30 days, DPS should assume that the freeze on the identified funds will expire in seven days. During this period, criminals will be unable to transfer funds from this account to another account or another card, thus protecting DPS’ ability to seize the funds and their ability to document the transaction as evidence for possible trial. An authorized DPS trooper can use either the VeriFone VX-680 terminal or the ERAD-Prepaid™ Virtual Terminal to secure the value associated with a prepaid card by completing a “Freeze” Transaction.

A “Freeze” transaction should only be completed after the balance on a prepaid card has been obtained. This transaction is usually completed at the arrest scene. The trooper will select the “Freeze” transaction from either the VX-680 or the ERAD-Prepaid™ Virtual Terminal, swipe the card through the magnetic stripe reader, confirm the case number and enter the full amount obtained from the balance inquiry receipt. Once the trooper confirms the “Freeze” amount, the transaction will be completed and a receipt will be automatically printed on the VX-680 terminal, or a print receipt option will be offered on the virtual terminal as it was for the Balance Inquiry transaction.

c. Seize



ERAD Response: The ERAD-Prepaid™ Platform offers two options for authorized DPS users to seize the value associated with a prepaid card.

The first option is to complete a “seize” transaction after the prepaid card balance has been determined. This transaction is usually completed at the arrest scene. The trooper will select the “Seize” transaction on either the VX-680 or the ERAD-Prepaid™ Virtual Terminal, swipe the card through the magnetic stripe reader, confirm the Case number, and enter the full amount identified on the balance inquiry receipt. If the authorized DPS User confirms the seizure amount and that amount is equal to the amount frozen, the transaction will be completed and a receipt will be automatically produced on the VX-680 terminal, or a print receipt option will be offered on the virtual terminal as it was for Balance Inquiry and Freeze transactions.

If the DPS trooper has already completed a “Freeze” transaction then the second option is to execute a “Claim Freeze” transaction. In this case, a card’s value has already been placed on hold using a “Freeze” Transaction. In order to release the hold and process the transaction for deposit to the DPS account, an authorized DPS user will select the “Claim Freeze” transaction on either the VX-680 terminal or the ERAD-Prepaid™ Virtual Terminal. To process a Claim Freeze transaction, the trooper must first retrieve the Transaction ID, which is printed on the receipt that was generated when the cards value was initially frozen. The Transaction ID is printed on the VX-680 receipt, the ERAD-Prepaid™ Virtual Terminal receipt or can be found on available transaction reports. The authorized DPS user will enter the Transaction ID number and Freeze amount and will be prompted to confirm the amount. If the authorized DPS User confirms the seizure amount and that amount is equal to the amount frozen, then the transaction will be completed and a receipt will be automatically produced on the VX-680 terminal, or a print receipt option will be offered on the virtual terminal as it was for Balance Inquiry and Freeze transactions.

d. Return

ERAD Response: If an authorized DPS user has processed a Freeze, Seize or Claim Freeze transaction and needs to reverse or cancel that action, they can execute a “Void” on the ERAD-Prepaid™ Virtual Terminal. Voiding a Seize or Claim Freeze transaction must be completed by an authorized user within 25 minutes of the initial transaction. Voiding a Freeze transaction can be completed at any time. This will release the funds back to the card for access by the individual who has the account information.

If DPS is required to return the seized funds to the cardholder, they can either process a “credit” to return those funds to the original prepaid card, or issue a check to the individual similar to how cash is returned today. ERAD will assist DPS in issuing the appropriate credit using the ERAD-Prepaid™.

C.2.1.5 The solution must be compatible with DPS Network on initial activation through transmission to Service Provider.

ERAD Response: The ERAD-Prepaid™ Virtual terminal is accessible from any Internet capable device using a variety of web browsers including; Google, Google Chrome, Firefox, Mozilla and Internet Explorer (version 10.0 and higher). DPS will need to confirm that the DPS Network will allow access to the ERAD secure site - <https://prepaid.erad-group.com>.



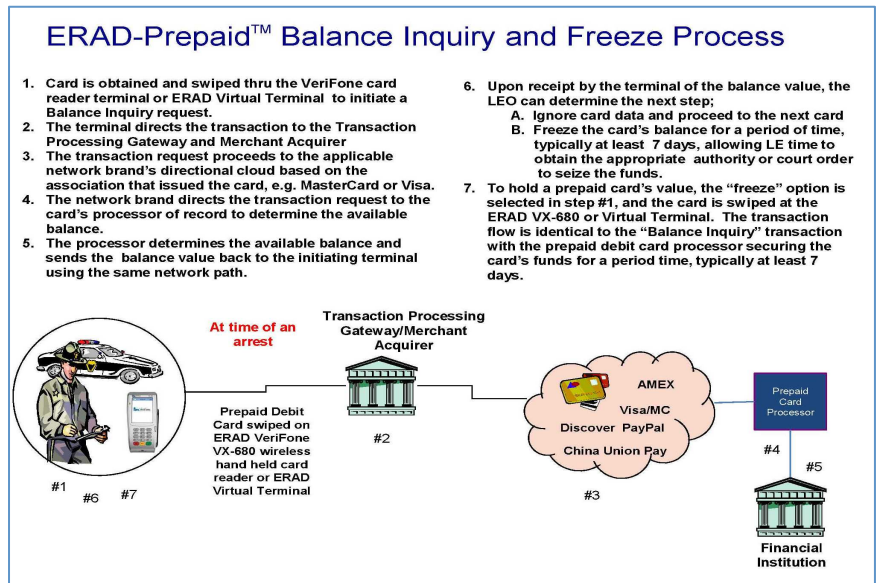
C.2.1.5 The solution shall have the ability to place identified funds on hold for further investigation.

ERAD Response: The ERAD-Prepaid™ provides the ability for an authorized DPS Trooper to place identified funds on a hold or “freeze” for a period of time. Because each card issuer establishes their own policy regarding the number of days they are willing to “hold” those funds, ERAD recommends DPS take the necessary action to secure the appropriate court authority (if required) and “seize” those funds within seven calendar (7) days. While some issuers will “hold” funds for up to 30 days, DPS should assume that the freeze on the identified funds will expire in seven days.

C.2.1.6 The bidder shall describe in general the data routing process.

ERAD Response: ERAD leverages the existing infrastructure of the worldwide payment processing system to facilitate the ERAD-Prepaid™ solutions. Utilizing the global payments infrastructure to process ERAD transactions ensures the same level of security that is used by global credit and debit card processors is in place to prevent criminals from accessing prepaid card data elements.

Following is a graphical representation of the transaction flow from acquisition of the prepaid card through balance determination and finally the subsequent freezing of the prepaid card value. Typically, an ERAD transaction will take between three and four seconds from the time the card is swiped to when the response is returned to the terminal.



C.2.1.7 The solution shall provide 4” wide receipt printing capabilities (Troops have in –car printers that only allow 4” continuous roll tape)

ERAD Response: The VeriFone VX-680 comes complete with an integrated thermal printer for printing receipts. This unit uses standard two-inch wide thermal receipt paper. It does not have the ability to transmit a print message to any other wireless or attached peripheral printer.



If the trooper is accessing the ERAD-Prepaid™ Platform through their onboard computer, and that computer can print to an attached or wireless printer, then the receipts produced by the ERAD-Prepaid™ Platform should be available to print on the trooper's printer. ERAD will ensure that individual card receipts, similar to the example below, will be formatted to print on a 4" wide, contiguous roll of paper. Following contract award, ERAD will coordinate a test of the DPS onboard printing system to confirm that the ERAD receipt output print file is compatible with the DPS printers.

```

ERAD
8528 Davis Blvd
FORT WORTH, TX 76182

Transaction Type:  BALANCE

Client ID:          8652600010001
Transaction ID:
User ID:           DHS_1
Invoice #:         11111

Thu Sep 12 2013 6:10:48 PM

CVV2:             X

Media Type:
                  xxxxxxxxxxxxx4950

Approval Code:    191127
Avail Balance:    $18.21
Base Amount:      $0.00

Total Amount:     $0.00

(Sign) _____

I AGREE TO PAY ABOVE AMOUNT ACCORDING
TO CARD ISSUER AGREEMENT
(MERCHANT AGREEMENT IF CREDIT VOUCHER)

```

C.2.2 Maintenance and Support Plan

C.2.2.1 Provider shall provide a detailed Help desk description of their technical support options

ERAD Response: DPS may receive technical support either by phone (571-207-ERAD), or email (support@erad-group.com). ERAD technical support is available from 7:00 AM – 7:00 PM Central Standard Time, Monday to Friday. After hours and in the event of an emergency, DPS may contact the ERAD Chief Operating Officer, Steve Beckerman @ 727-692-6321.

C.2.2.2 Identification of and contact information (name; title; address; telephone and fax numbers; and e-mail address) for progressively higher levels that would become involved in resolving a problem.

ERAD Response: The primary point of contact to address technical or customer service issues will be via phone (571-207-ERAD) or email (support@erad-group.com). If customer support is unable to resolve the issue or problem, DPS may escalate the issue according to the following schedule:

Level 1 Escalation:
Steve Beckerman
Chief Operating Officer
Office: 727-781-7308
Cell: 727-692-6321
Email: steve.beckerman@erad-group.com

Level 2 Escalation



T. Jack Williams
President
Office: 817-576-3655
Cell: 502-609-0109
Email: jack.williams@erad-group.com

C.2.2.3 Provider shall list the frequency of product upgrades are optional or mandatory, and patches made to current platform.

ERAD Response: DPS will be using the most current version of the ERAD-Prepaid™ Virtual Terminal system. As such, DPS and all ERAD clients will always be operating with the most current version of the ERAD-Prepaid™ application. These upgrades are mandatory and system wide.

If DPS chooses to deploy the VeriFone VX-680 hand-held terminal, they will be required to download the most current version of the ERAD-Prepaid™ terminal application. The End User License Agreement requires that all related ERAD equipment be operating with the most current version of our application. This becomes particularly important for fraud protection, as ERAD must ensure that DPS is operating with the most recent ERAD-Prepaid™ Virtual Terminal system

a. Provider shall notify the DPS personnel 2 weeks before any updates and maintenance.

ERAD Response: ERAD will use its best efforts to notify DPS at least 2 weeks in advance of any planned updates or scheduled maintenance.

b. The provider must inform DPS personnel if any updates and maintenance is going to be more than 2 hours.

ERAD Response: ERAD will use its best efforts to notify DPS at least 2 weeks in advance of any planned updates or scheduled maintenance, and if the updates or maintenance will require more than 2 hours of system unavailability. Every effort will be made to install system updates and provide required maintenance during non-business hours.

C.2.3 The proposed solution must include a description of the recommended training required to have a full, working knowledge of the system.

C.2.3.1 The proposed training environment, for example on-site, web, video, or other.

ERAD Response: ERAD believes that only properly trained law enforcement officers can effectively utilize the systems to identify and secure funds from prepaid cards. To meet this goal, ERAD will utilize two specific training delivery systems -, Onsite and Web based. By offering two options, DPS can ensure that all DPS users have access to training, and the opportunity to interact with ERAD staff to gain a working knowledge of the ERAD-Prepaid™ system.

DPS Troopers and Front-Line Users

ERAD will conduct two (2) two-hour training classes at DPS headquarters in Oklahoma City to familiarize DPS users with the features, functions and operations of the ERAD-Prepaid™ Platform. In addition to an overall briefing on the criminal use of prepaid cards, users will be led through simulations and hands-on training for each of the key system functions. This will be an interactive training session designed specifically for DPS personnel who will be using the ERAD-Prepaid™ Platform to:



- 1) Determine prepaid card balances
- 2) Freeze or seize prepaid card values
- 3) Analyze payment cards
- 4) Create, view and access reports

In addition to on-site training, ERAD personnel will conduct two (2) two-hour web based training programs for those DPS users who are unable to attend the on-site training in Oklahoma City. Course material will be identical to the on-site training program. Users will need to access the website www.webex.com to view and participate in the training class. Similar to on-site training, users will be encouraged to bring their laptop or mobile device, and run the simulation exercises.

DPS and ERAD will determine mutually agreeable dates and times for the on-site and web-based training sessions.

DPS Administrative and Supervisory Users

As a supplement to the DPS Trooper and Front-Line User training, ERAD will conduct a separate on-site training session for supervisory and administrative personnel. This one-hour session will include a brief review of the DPS Troopers and Front-Line Users training, with additional orientation to higher-level functions including:

- 1) Seizing and Claim Freezing prepaid card values
- 2) Administrative support
- 3) Financial Reports and Reconciliation

C.2.3.2 Bidder will identify which personnel should be included in the training.

ERAD Response: ERAD recommends that all system users attend either the on-site training or web-based training. These comprehensive training programs contain important information for users at every level.

The Administrative Training session should be attended by supervisory personnel that will be involved in seizing prepaid card funds or will have some administrative responsibility for the program.

C.2.3.3 The maximum number that can attend the training.

ERAD Response: The number of attendees at the on-site training session is only limited by the number of seats available at the DPS training venue.

Web-based training is limited to 100 attendees per session.

C.2.4 Disaster Recovery Plan

The Provider shall develop a Disaster Recovery Plan that addresses the following:

The Disaster Recovery Plan shall describe the successful provider's approach that will be used to guide the preparation for and delivery of necessary disaster services in response to any disaster requiring extraordinary services response.

ERAD Response: ERAD-Prepaid™ is hosted in the Microsoft Azure Cloud platform, which utilizes geographically dispersed datacenters around the world. The overall Azure platform operates at a 99.90% availability for computation, SQL Database and Storage thereby maximizing uptime availability for the ERAD-Prepaid™ application. Microsoft Azure has resiliency and DR built in to its services platforms. These platforms also provide capabilities that support system availability through a variety of disaster recovery



scenarios, so that the mission critical ERAD-Prepaid™ applications can be available to clients with minimal disruption in service.

The Plan will identify resources involved in contingency operations, problem management and escalation procedures. Any changes to content must be approved by the state in advance.

ERAD Response: Microsoft Azure maintains 22 datacenters around the world. This architecture supports a variety of disaster recovery scenarios including the system-provided geo-replication of the ERAD-Prepaid™ application and storage to secondary data centers. Utilizing this automated redundancy configuration ensures DPS 99.90% system availability.

ERAD operations are decentralized, which means that we offer DPS a more fault-tolerant solution in the event of a disaster. With operations in Florida and Texas, complimented by partner support in Georgia and California, DPS can be confident that all our support services will be available even if an ERAD operational center becomes temporarily unavailable.

The Disaster Recovery Plan shall include the actions and proposed approach the provider would take under the following scenarios:

a. System goes down completely at provider's network or DPS.

ERAD Response: Microsoft Azure maintains 22 datacenters around the world and ERAD operates the ERAD-Prepaid™ application and data storage in 3 geographically diverse centers. If the primary data center hosting ERAD-Prepaid™ becomes unavailable or communications to and from that data center are unavailable, Microsoft automatically switches access to the ERAD-Prepaid™ Platform from the primary center to one of three geographically diverse centers. This ensures DPS will have virtually uninterrupted access to the ERAD-Prepaid™ Platform. The ERAD-Prepaid™ Platform is configured to be accessible from any Internet capable device. If the DPS network is unavailable or a power outage renders a DPS facility unusable, DPS personnel can still access the ERAD-Prepaid™ Platform from an alternate physical location, via a mobile device, or using a laptop connected to a hotspot.

b. During the scheduled maintenance of the provider.

ERAD Response: ERAD will use its best efforts to notify DPS at least 2 weeks in advance of any planned updates or maintenance, and if the updates or maintenance will require more than 2 hours of system unavailability. Every effort will be made to install system updates and provide required maintenance during non-business hours.

Any outage due to physical or natural disaster damage at the provider's system.

ERAD Response: Microsoft Azure maintains 22 datacenters around the world and ERAD maintains the applications and data storage in 3 geographically diverse centers. If the primary data center is unavailable, or communications to and from the primary data center are unavailable, Microsoft automatically switches access to the ERAD-Prepaid™ Platform from the primary center to one of three geographically diverse centers. This ensures DPS will have virtually uninterrupted access to the ERAD-Prepaid™ Platform.





C.3. Non-Mandatory Specification/Requirements

Non-Mandatory requirements are considered added-value. Bidder should provide detailed information for additional features/functions listed, describe how each of these items will be provided or accomplished. Bidder’s response must state if the feature/function is available or unavailable and include any associated cost. Bidder should provide examples, samples, and or screenshots as applicable to the proposed solution.

C.3.1 The bidder may include investigating tool capable of analyzing data on magnetic stripe and store until retrieved and printed at Headquarters.

ERAD Response: **ERAD-Intel**

The ERAD-Prepaid™ Platform also provides DPS with the ability to read the magnetic stripe from any payment card and determine the card issuer, brand (e.g. Visa, MasterCard, American Express) type (Credit or Debit), category (e.g. Prepaid, Platinum, Standard) and contact information for more than 300,000 Visa, MasterCard, American Express, Diners Club, JCB, China Union Pay programs. This ERAD-Intel functionality is available to all DPS Personnel.

To access this functionality in the ERAD-Prepaid platform, a DPS Trooper will use the “Add Card” option within the applicable case, and swipe the magnetic stripe card through the USB connected card reader. The system will display the name, account number and expiration date read from the magnetic stripe, compare it to the bank information on file, and simultaneously display the available card issuer information. The ERAD-Prepaid™ Platform will retain this information in the applicable Case file. If the information read from the magnetic stripe does not match information printed on the front of the card, the DPS Trooper can supplement the file by inputting additional details about the information printed on the card.

All of the card information is stored within the Case management structure of the ERAD-Prepaid™ Platform for easy retrieval by DPS. Reports can be generated by case, card issuer, card type, and card number, DPS Trooper or Date. These reports are available in .pdf or excel format and accessible to authorized DPS personnel in the field or at Headquarters.

Add Card

Swipe Card or Enter Account Number Below

<p>Case 123456</p> <p>Card Type Other Card ▼</p> <p>Card Number 47010300004812345</p> <p>Card Name SMITH, MICHAEL A</p> <p>Card Expiration 01/19</p> <p>Notes I-95 traffic stop</p>	<p>Issuer Information</p> <p>Brand VISA</p> <p>Type CREDIT</p> <p>Category PLATINUM</p> <p>Issuer Name Grow Financial Federal Credit Union</p> <p>Issuing Country UNITED STATES</p> <p>Website HTTP://WWW.GROWFINANCIAL.ORG/</p> <p>Phone Number Toll-Free: 866-285-8545</p> <p>Principal Contact Address Fraud Investigation: Visa DPS P.O. Box 636001 Highlands Ranch, Colorado U.S.A. 80163-6001</p>
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Enhance Balance Retrieval Service (EBRS)

DPS will have access to the ERAD EBRS. This service is included at no additional cost to DPS and is integrated with the ERAD-Prepaid™ program. EBRS provides DPS the ability to determine the available balance on a valid and supported prepaid gift card where DPS was unable to obtain the balance from either the VX-680 or ERAD-Prepaid™ Virtual Terminals. Using the captured card information, ERAD personnel contact the card issuer and, where available, obtain the balance on behalf of DPS. Once available, ERAD provides the balance information to the appropriate DPS personnel who can then freeze or seize the card value.

Retailer Card Seizure Recovery (RCSR)

DPS will have access to the ERAD RCSR. This service is included at no additional cost to DPS and is integrated with the ERAD-Prepaid™ program. RCSR provides DPS the ability to collect funds associated with a retailer gift card. To utilize this service, DPS must first obtain, scan and upload a court order or seizure warrant to the ERAD-Prepaid™ Platform. Once received, ERAD personnel will retrieve the seizure warrant/court order, provide it to the applicable retailer and manage the collection process until the requested funds are deposited in the designated DPS bank account.



ERAD Group, Inc.

T. Jack Williams
President

6 December 2015

Solicitation number: 5850000475

RE: Voluntary Product Accessibility Template (VPAT)

The purpose of this document is to confirm that the magnetic stripe readers also referred to as Consumer Activated Payment Terminals, requested in Solicitation 5850000475 are not applicable to the VPAT. The ERAD card readers are manufactured by Verifone, Inc. who has a 92% share of the credit card terminals used in the US today. Credit card readers such as the VX-680 and many other variations are standard in most merchant locations. These readers have been excluded from Federal Law, and thus the VPAT is not applicable to this solicitation.

Please see below the positional statement from Verifone.

Verifone strives to extend the convenience of its products to all consumers, including those with disabilities. At the present time, there are no federal laws that define disability requirements for Consumer Activated Payment Terminals. (These devices are referred to as "Interactive Transaction Machines or ITMs by the American Disabilities Act [ADA]).

ERAD agrees with the following statement. Certification by Oklahoma Information Technology is not applicable to this solicitation 5850000475.

The Contractor shall indemnify and hold harmless the State of Oklahoma and any Oklahoma Government entity purchasing the products, systems, or applications not requiring development and/or customized by the Contractor from any claim arising out of the Contractor's failure to comply with applicable Oklahoma Information Technology Accessibility Standards subsequent to providing certification of compliance to such Standards.

Sincerely,

T. Jack Williams

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Fort Worth, Texas 76182
Website: www.erad-group.com

Office: 817.576.3655
Office: 571.207.3723

Skype: [tjackwilliams](https://www.skype.com/user/tjackwilliams)
Mobile: 502.609.0109

Email: jack.williams@erad-group.com



The following VPAT provides a sample format used to evaluate IT Standards applicable to Web-Based Internet Information and Applications established in Section 4.3 of the official IT Standards. The standards are based on the Federal Section 508 Electronic and Information Technology Accessibility Standards developed by the Access Board as well as the access guidelines, version 1.0, developed by the Web Accessibility Initiative of the World Wide Web Consortium. These provisions ensure access for people with visual, hearing, motor and cognitive disabilities who rely on various assistive products to access computer-based information, such as screen readers. Screen readers translate the computer screen display into automated audible output and refreshable Braille displays. Certain conventions, such as verbal tags or identification of graphics and format devices, such as frames, are necessary so that these devices can "read" them for the user in a sensible way. The standards do not prohibit the use of Web site graphics or animation. Instead, the standards help ensure that such information is also available in an accessible format. Generally, this means use of text labels or descriptors for graphics and certain format

Responses to "Meet Standard and How" and "Not Applicable and Why" should be completed in detail. Simple "yes" or "comply" answers provide insufficient information necessary to conduct an informed assessment.

Product Name/Description: ERAD-Prepaid Platform

Date VPAT Completed: 12/2/2015

Supplier Name: ERAD Group, Inc.

Name of Person Completing Form: Steven Beckerman

Telephone Number: 727-781-7308

Web-based Internet information and applications - IT Standards Section 4.3 Voluntary Product Accessibility Template
Criteria: (a) A meaningful text equivalent for every non-text element shall be provided (e.g., via "alt", "longdesc", or in element content) except for captioning of audio information which shall comply with (b) of this section.
Supporting Features: Supports
Remarks and explanations: The ERAD-Prepaid Platform uses "alt" text

Criteria: (b) Equivalent alternatives for any multimedia presentation shall be synchronized with the presentation.
Supporting Features: Not Applicable
Remarks and explanations: There are no multi-media presentations in the ERAD-Prepaid Platform

Criteria: (c) Web pages shall be designed so that all information conveyed with color is also available without color, for example from context or markup. Ensure that foreground and background color combinations provide sufficient contrast when viewed by someone having color deficits or when viewed on a black and white screen.

Supporting Features: Supports

Remarks and explanations: Anywhere color is used for visual indications, equivalent text is also presented.

Criteria: (d) Documents shall be organized so they are readable without requiring an associated style sheet.

Supporting Features: Supports

Remarks and explanations: The ERAD-Prepaid Platform uses a flow and tabular layout for data presentation.

Criteria: (e) Redundant text links shall be provided for each active region of a server-side image map.

Supporting Features: Not Applicable

Remarks and explanations: The ERAD-Prepaid Platform does not use server-side image maps.

Criteria: (f) Client-side image maps shall be provided instead of server-side image maps except where the regions cannot be defined with an available geometric shape.

Supporting Features: Not Applicable

Remarks and explanations: The ERAD-Prepaid Platform does not use client-side image maps.

Criteria: (g) Row and column headers shall be identified for data tables.

Supporting Features: Supports

Remarks and explanations: Data tables are clearly marked with row and column headers

Criteria: (h) Markup shall be used to associate data cells and header cells for data tables that have two or more logical levels of row or column headers.

Supporting Features: Supports

Remarks and explanations: Data cells and header cells are clearly marked

Criteria: (i) Frames shall be titled with text that facilitates frame identification and navigation
Supporting Features: Not Applicable
Remarks and explanations: The ERAD-Prepaid Platform does not use frames

Criteria: (j) Pages and elements shall be designed so that screen flicker does not occur between frequencies 2 Hz and 55 Hz.
Supporting Features: Not Applicables
Remarks and explanations: The ERAD-Prepaid Platform does not control screen flicker or refresh rates.

Criteria: (k) A text-only page, with equivalent information or functionality, shall be provided to make a web site comply with the provisions of these standards when compliance cannot be accomplished in any other way. The content of the text-only page shall be updated whenever the primary page changes. The non-accessible version must be as accessible as possible.
Supporting Features: Supports
Remarks and explanations: The system as designed does not present text in a way that would require additional functionality to comply with these standards.

Criteria: (l) When pages utilize scripting or other programmatic elements to display content, the information provided by the script shall also be provided in an equivalent text format that can be processed and interpreted by assistive technology. When pages utilize scripting or other programmatic elements to create user interfaces, user interaction shall be input device independent.
Supporting Features: Supports
Remarks and explanations: The system as designed does not present text in a way that would require additional functionality to comply with these standards.

Criteria: (m) When a web page requires that an applet, plug-in or other application be present on the client system to interpret page content, the page must provide a link to a plug-in or applet that complies with Oklahoma Software Applications and Operating Systems standards (a) through (l).
Supporting Features: Not Applicable
Remarks and explanations: The ERAD-Prepaid Platform does not use applets or plug-ins.

Criteria: (n) When electronic forms are designed to be completed on-line, the form shall allow people using assistive technology to access the information, field elements, and functionality required for completion and submission of the form, including all directions and cues.

Supporting Features: Supports

Remarks and explanations: The system allows people using assistive technology to populate appropriate data text fields.

Criteria: (o) A method shall be provided that permits users to skip repetitive navigation links.

Supporting Features: Not Applicable

Remarks and explanations: The system does not use repetitive navigation links.

Criteria: (p) When a timed response is required, the user shall be alerted and given sufficient time to indicate more time is required.

Supporting Features: Supports with Exceptions

Remarks and explanations: Additional development will be required to present the user notification when a timely response is required. The ERAD-Prepaid Platform does not automatically prompt to extend session time.

Criteria: (q) Use valid, industry recognized web programming standards including a document type definition or the equivalent.

Supporting Features: Supports

Remarks and explanations: The ERAD-Prepaid Platform uses the HTML5 document type definition across all pages in the application

Criteria: (r) Identify the primary natural language of the document.

Supporting Features: Supports

Remarks and explanations: The natural language of the system is US English and is indicated at the top level of each page. The site does not provide changes to the natural language and all acronyms are identified and expanded through the use of markup tags

Criteria: (s) A link to the agency's Web site accessibility policy (if existing) and contact information for compliance issues related to the accessibility of electronic and information technology shall be included on home pages and other key pages.

Supporting Features: Supports with Exceptions

Remarks and explanations: The ERAD-Prepaid Platform will be enhanced with a link for the user to contact the ERAD compliance officer.



MASTER AGREEMENT

By this Master Agreement ("Agreement"), ERAD Group, Inc. (EGI) and Type Full Legal Name of Agency ("Agency") agree as follows:

1. **Introduction.** Agency retains EGI to provide the product, software and/or services (each a "Product") described in fully executed riders to this Agreement (collectively, "Riders" and individually a "Rider").

2. **Term.** This Agreement is effective as of the date of last signature ("Effective Date"), and shall remain in effect until all Riders are terminated.

3. **Fees.**

3.1 Agency shall pay EGI the fees set forth in each Rider. Any fees designated as "implementation," "initial" or "set-up" fees are due in full upon execution of the Rider. All other fees shall be invoiced by EGI monthly. All fees are exclusive of non-standard telecommunications, hardware, software, equipment and travel charges. Travel time, if required and pre-approved by Agency, will be charged at EGI's then current hourly rates.

3.2 EGI may increase "pass through fees" whenever the cost for those items is increased. In addition, EGI may increase other fees on thirty (30) days or more advance written notice after the initial term of a Rider has expired.

3.3 Agency authorizes EGI to collect any amounts owed, and credit any amounts due, via electronic transfer from the account specified in this Agreement ("Operating Account") within 10 days of invoice. Agency shall provide EGI with written notice of any change in its Operating Account within three (3) days of the change. In the event EGI does not collect any amounts due via electronic transfer, Agency shall make payment directly to EGI immediately upon invoice. Fees payable under this Agreement are not subject to reduction or set-off of any kind for any reason.

4. **Products.**

4.1 EGI shall: (i) provide Agency with access to and use of a Product in accordance with EGI's most current documentation and manuals for that Product (collectively, "Specifications") so long as Agency timely pays all applicable fees; (ii) provide Agency with standard reporting, if any, associated with Product usage; and (iii) provide each Product in accordance with all laws and rules applicable to EGI as a provider of those Products.

4.2 Agency shall: (i) comply with all laws and rules associated with its use of a Product, including those that relate to error resolution, and shall use its best efforts

to provide EGI with notice of any laws that impact a Product; (ii) provide any information, data or documents necessary for EGI to provide a Product (collectively, "Data") in accordance with the corresponding Specifications; (iii) not attempt to gain unauthorized access to any system or network operated by, or on behalf of, EGI; (iv) utilize and access each Product solely in accordance with this Agreement and the applicable Rider and Specifications; (v) use each Product solely for its own internal business purposes; (vi) take such measures that EGI deems reasonably necessary to prepare for proper use of a Product; (vii) perform testing and provide reports on the results of Product usage as reasonably requested by EGI; (viii) verify the results of all output and results achieved through use of a Product prior to relying on those results for any business purpose; (ix) cooperate and assist in the identification of any unauthorized use of a Product and the detection of security violations; and (x) be solely responsible for the consequences of, reimburse EGI for all costs, losses and damages associated with, and resolve at its own expense, any unauthorized use of a Product or security violations committed by Agency.

4.3 EGI may modify Products from time to time so long as those changes do not prevent EGI from meeting its obligations to Agency. If Agency requests a change in a Product that requires EGI to modify its hardware or software, hire additional staff or results in additional expense to EGI, then the parties shall negotiate whether and upon what terms the requested change will be made. No agreement to make a change in a Product shall be effective unless committed to in writing and signed by both parties.

5. **Data Transmission, Security and Contingency Planning.**

5.1 Agency shall be solely responsible for the transmission of Data at its own expense, and shall bear any risk of loss resulting from such transmission. In the case of electronic transmission, Data will not be deemed received until receipt is actually confirmed by EGI. If Agency directs EGI to provide Data to a third party, Agency shall provide EGI with written authorization to do so and bear all risk of loss and liability associated with such transmission or access. In addition, EGI shall be held harmless from any claims resulting from the third party's access or use of the Data, and may, in its discretion, require the third party to enter into a written agreement with EGI concerning that access or use.

5.2 Agency acknowledges the inherent risks

associated with conducting business over a public medium like telephone lines, wireless networks and the internet. EGI will use reasonable commercial efforts to protect the security of Data transmitted by Agency, but does not guarantee the ultimate security of that Data.

6. **Limited Warranty.** If there is a material failure of any Product to substantially comply with EGI's most current and applicable Specifications for that Product ("Defect") EGI shall, at its election and as its sole obligation under this Agreement (and as Agency's sole remedy), either: (i) repair or replace the Product so that it conforms to the corresponding Specifications; or (ii) terminate this Agreement and refund any pre-paid fees pertaining to that Product for the time period following the Defect. EGI shall have no obligation with respect to a Defect unless: (a) Agency provides a written description of the Defect to EGI within thirty (30) days of its first occurrence; (b) Agency reasonably assists EGI in its diagnosis and correction; and (c) Agency performs diagnostic and remedial actions requested by EGI. Agency shall pay EGI its then current labor rates for analyzing any irregularity or failure not caused by a covered Defect.

7. **Disclaimer.** Agency shall independently verify that all Products purchased satisfy its needs and requirements. Use of any Product presents risk of errors, omissions, delays and losses, including the inadvertent loss or misstatement of Data. Agency is solely responsible for all results achieved through use of the Products. Under no circumstances shall EGI be liable for a Defect or any loss, claim, demand, penalty, action, cause of action, suit, obligation, liability, damage, delay, cost, expense or attorney's fees, (collectively "Losses"), caused, directly or indirectly, in whole or in part, by: (i) Agency; (ii) a third party; (iii) abuse, misuse, alteration or use of a Product outside of EGI's most current Specifications; (iv) incorrect or incomplete Data; (v) software, hardware or systems not supplied by EGI; or (vi) any other failure not directly attributable to EGI. In the event Agency requests assistance or advice from EGI, Agency shall be solely liable for any and all consequences resulting from that assistance or advice. **EXCEPT AS SPECIFICALLY STATED IN THIS AGREEMENT, ALL SERVICES ARE PROVIDED "AS IS", AND ALL WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF QUALITY, FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY, CONTINUOUS USE, DESIGN, PERFORMANCE OR ERROR-FREE OPERATION, ARE DISCLAIMED IN THEIR ENTIRETY.**

8. **Third Party Services.** As an accommodation to Agency, EGI may permit access to or interconnection with a product or service provided by a third party (each, a "Third Party Service"). Third Party Services are not provided by EGI, and Agency may be required to enter into independent agreements for those products directly with the third party provider. As a result, Agency releases

and forever discharges EGI from any liability whatsoever associated with, or arising out of, any Third Party Service. However, EGI may, if so indicated in a Rider: (i) bill Agency for use of a Third Party Service; and/or (iii) collect amounts owed in connection with a Third Party Service.

9. **Employee Skills.** Agency is ultimately responsible for the successful operation of all Products. Consequently, Agency must employ individuals with sufficient experience and technical expertise to properly operate and maintain Products. Agency shall be solely responsible for ensuring that its employees and other representatives comply with all rules and procedures set forth in any training manual or other document, guide or literature available from EGI, including those that pertain to participation in an electronic funds network or card association.

10. **Confidentiality and Privacy.** Each party shall treat information received from the other party that is designated as confidential ("Confidential Information") as a trade secret and strictly confidential. EGI designates the Products and all information and documentation relating to any Product, together with the financial terms of this Agreement, as its Confidential Information. Agency designates its nonpublic personal information (NPI) as confidential. Each party shall: (i) restrict disclosure of the other party's Confidential Information to employees and agents solely on a "need to know" basis in order to perform obligations and/or exercise rights under this Agreement; (ii) advise its employees and agents of their confidentiality obligations; (iii) use the same degree of care to protect the other party's Confidential Information as it uses to safeguard its own Confidential Information of similar import; and (iv) notify the other party of any unauthorized possession or use of its Confidential Information as soon as possible upon receiving notice of same. Notwithstanding the foregoing, neither party shall be obligated to preserve the confidentiality of any information that: (a) was previously known; (b) is a matter of public knowledge; (c) was or is independently developed; (d) is released for disclosure with written consent; or (e) is received from a third party to whom the information was disclosed without restriction. Disclosure of Confidential Information shall not be precluded if the disclosure is: (1) required by law; or (2) is in response to a valid order of a U.S. court or other governmental body, provided the receiving party gives written notice to the providing party and makes a reasonable effort to obtain a protective order requiring the information to be used only for the purpose set forth in the original order. EGI may use the information it receives from Agency relating to transactions for any of its products or services so long as it complies with its obligations as a third party service provider with respect to NPI under the Gramm-Leach-Bliley Act (Pub. L. 106-102). Upon termination of a Rider for any reason: (x) Agency shall either return or destroy all of EGI's Confidential Information relating to the corresponding Product; and (y) EGI shall destroy any

Agency' Confidential Information received as a consequence of the Product unless, prior to such termination, Agency furnishes EGI with written instructions for the disposition of such items and pays any associated fees.

11. **Marketing.** EGI has marketed and will continue to market the Products, as well as products and services that may be similar to those offered to Agency, to multiple Agencies. EGI shall have the right to include Agency's name in a general listing of users of its products and services, but shall not use any logo or registered trademark owned by Agency without prior written approval.

12. **Relationship.** EGI is an independent contractor. Neither EGI nor any of its representatives are employees, partners or joint ventures of Agency. EGI has the sole obligation to supervise, manage, contract and direct the performance of its obligations under this Agreement. EGI reserves the right to determine who will be assigned to perform its obligations, and to make replacements or reassignments as it deems appropriate.

13. **Intellectual Property.** Agency is not acquiring any copyright, trade secret, patent or other intellectual property right in the Products, or in any related data, software, design, code, program or other item provided or owned by EGI, and EGI shall own all such rights exclusively. Agency shall not alter, obscure or revise any proprietary, restrictive, trademark or copyright notice included with, or affixed or displayed by a Product.

14. **Indemnification.**

14.1 Agency shall indemnify, defend, and hold harmless EGI and its officers, employees, directors and shareholders, in their individual capacities or otherwise, from and against any and all Losses associated with third party claims arising out of: (i) Agency's gross negligence or willful misconduct resulting in personal injury or property damage; (ii) Agency's use of Products or Third Party Services; (iii) inaccurate or incomplete Data; (iv) Agency's failure to comply with applicable law or rules; (v) Agency's failure to comply with the terms of any Third Party Service agreement; (vi) any claim of infringement of intellectual property rights caused by Agency; and (vii) any Customer' claims, actions or suits. (viii) any action that asserts violation of any provision of the Bank Secrecy Act (BSA) regarding disclosure of private information.

14.2 EGI shall indemnify, defend and hold harmless Agency, and its officers, employees, directors and shareholders, in their individual capacities or otherwise, from and against any and all Losses associated with third party claims arising out of: (i) EGI' gross negligence or willful misconduct resulting in personal injury or property damage; (ii) EGI' failure to comply with laws or rules applicable to third party

providers of the Product; or (iii) any claim that a Product infringes a registered U.S. patent or copyright. However, EGI shall have no liability for an infringement claim if it results, in whole or in part, from: (a) use of a Product in combination with computer programs or services owned or licensed by someone other than EGI; or (b) Agency's failure to implement corrections or changes offered by EGI. If a claim of infringement of a registered U.S. patent or copyright has been asserted, or in EGI' opinion is about to be asserted, EGI may, at its option either: (1) procure for Agency the right to continue using the Product; (2) replace or modify the Product so that it becomes non-infringing; (3) terminate the applicable Rider and refund all fees paid for future use of the Product; or (4) fight such action and pay any costs, damages or settlements finally paid by Agency, provided those expenditures were pre-approved by EGI.

14.3 The obligation to provide indemnification under this section is contingent upon: (i) the indemnified party promptly notifying the indemnifying party in writing of any claim; (ii) the indemnifying party having sole control over the defense and settlement of the claim; (iii) the indemnified party reasonably cooperating during defense and settlement efforts; and (iv) the claim not arising, in whole or in part, out of the actions of the indemnified party.

15. **Limitation of Liability.** Under no circumstances shall EGI be liable for any Losses that are not brought to its attention by Agency in writing within thirty (30) days of the earlier of: (i) the date of actual discovery; or (ii) the date they should have been discovered through the exercise of reasonable diligence. No claim arising out of this Agreement may be asserted by Agency more than one (1) year following the date it was discovered or should have been discovered through the exercise of reasonable diligence. EGI' total liability is limited in all cases, in the aggregate, to the amount of fees actually paid by Agency for the corresponding Product during the twelve (12) months preceding the first such claim. EGI shall not be liable for any indirect, incidental, consequential, special, delay or punitive damages whatsoever (including any damages for loss of business profits, business interruption, loss of information or other pecuniary loss) arising out of this Agreement, even if EGI was advised of the possibility of such damage.

16. **Termination and Additional Remedies.**

16.1 In addition to any other available remedies, either party may terminate this Agreement on thirty (30) days advance written notice if the other party: (i) fails to cure a material breach within thirty (30) days of receiving written notice to do so; (ii) is the subject of a dissolution, reorganization, insolvency, moratorium or bankruptcy action that is not dismissed within thirty (30) days of being filed; (iii) suffers the appointment of a receiver, conservator or trustee; (iv) makes a general assignment

for the benefit of creditors; (v) commits any act relating to this Agreement with the intent to defraud the other party; or (vi) discontinues performance of this Agreement because of a binding order of a court or regulatory body. The foregoing termination right expires if the notice of termination is not made within thirty (30) days of the event that gave rise to the termination right.

16.2 The damage that EGI would incur if it terminates in accordance with Subsection 16.1, or if Agency terminates in a manner or for any reason that is not permitted by Subsection 16.1, (collectively, an "Early Termination") are not readily ascertainable. Accordingly, upon the occurrence of such an Early Termination Agency shall pay EGI liquidated damages equal to the greater of: (i) \$100,000.00; or (ii) the average monthly fees incurred pursuant to the terminated Rider(s) during the preceding six (6) months (or such shorter period if not in effect for six (6) months) ("Average Monthly Fees") multiplied by the number of months, or portion thereof, remaining in the then current term. These liquidated damages are in lieu of any lost profits for Early Termination, but are not in lieu of any other damages to which EGI is entitled.

16.3 Due to the likelihood of irreparable injury, each party shall be entitled to an injunction prohibiting any breach of the confidentiality and intellectual property obligations of this Agreement by the other party. Agency shall pay EGI a late fee equal to the lesser of one and one-half percent (1½%) per month or the maximum allowed by law, for any amount remaining unpaid for more than ten (10) days after becoming due. EGI shall have the right to utilize any amounts owed to Agency to pay or reimburse EGI for any amounts owed by Agency.

17. Miscellaneous.

17.1 Agency shall not assign, subrogate or transfer any interest, obligation or right under this Agreement without prior written consent from EGI. Any dissolution, merger, consolidation, reorganization, sale or transfer of a majority of the assets or stock of Agency shall constitute an attempted assignment of this Agreement and be void from its inception. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

17.2 Agency submits to the jurisdiction of, and this Agreement shall be governed by the State and federal laws applicable in, Texas. Venue for any action, claim or controversy arising out of this Agreement shall be in a state court of competent jurisdiction over Tarrant County, Texas. The prevailing party in any such action shall be entitled to its reasonable attorney's fees, costs and expenses.

17.3 Neither party shall have waived its rights under this Agreement absent a specific writing to that

effect signed by the party to be charged. No waiver of a breach shall constitute a waiver of any prior or subsequent breach.

17.4 EGI shall not be liable for any loss, damage or failure due to causes beyond its control, including nuclear detonations, strikes, riots, earthquakes, epidemics, terrorist actions, wars, fires, floods, weather, power failure, telecommunications interruption, the failure or closure of a financial institution, acts of God or any other failure, interruption or error not directly caused, or reasonably anticipated, by EGI.

17.5 The headings that appear in this Agreement are inserted for convenience only and do not limit or extend its scope.

17.6 Each party, and each person signing on behalf of a party, represents and warrants that it has full legal authority to enter into and perform the obligations of this Agreement without any additional consent or approval.

17.7 This Agreement, together with its fully executed Riders, constitutes the entire understanding of the parties with respect to its subject matter, and all prior agreements, understandings and representations are canceled in their entirety.

17.8 This Agreement shall not be construed more strongly against either party, regardless of who is more responsible for its preparation.

17.9 If there is a conflict between this Agreement and any present or future law, the part of this Agreement that is affected shall be curtailed only to the extent necessary to bring it within the requirements of that law.

17.10 All notices given in connection with this Agreement must be in writing and shall be deemed received forty-eight (48) hours after deposit in the mail, postage prepaid, or if given by other means, upon actual receipt. Notices shall be delivered to the appropriate party at its address set forth in this Agreement, or, in the alternative, in the case of notices to Agency, the same address as invoices.

17.11 All fees, expenses and other amounts charged under this Agreement are stated and invoiced net of applicable taxes and similar charges. Agency shall be solely responsible for any taxes or similar charges arising out of this Agreement, excluding EGI's income taxes. Agency shall also be solely responsible for assessing and remitting payment of such items to the appropriate authorities. If EGI is ever required by law to collect a tax or similar charge from Agency, or if Agency is ever required by law to withhold such an amount from any payment due to EGI, the invoice shall be grossed-up as necessary to net EGI the original fee, expense or other

amount, and Agency shall pay the grossed-up amount within the time prescribed for the payment of fees.

17.12 Except as otherwise indicated, this

Agreement may only be modified by written agreement of the parties. Sections 7, 10, 13, 14 and 15, as well as Subsections 16.3, 17.2 and 17.11, shall survive any termination of this Agreement.

TYPE FULL LEGAL NAME OF AGENCY

Type Agency's Address Here
Type City Here, Type State Here, Type Zip Code Here
Tel: Type Telephone Number Here
Fax: Type Fax Number Here

ERAD Group, Inc.
5228 Davis Blvd, Suite 134-343
Fort Worth, TX 76182
Tel: (817) 576-3655
Fax: (727) 498-2984

Signature Date

Signature Date

Print Name and Title

T. Jack Williams, President

Agency's Financial Institution

Agency's Operating Account Number

Transit and Routing Number of Operating Account

Federal Employer Identification Number

Please include a cancelled/voided check or bank letter identifying the deposit account.



ERAD-PREPAID™ RIDER TO MASTER AGREEMENT

This **ERAD-PREPAID** Rider ("Rider") is made pursuant to, and is a part of, the Master Agreement ("Agreement") between ERAD Group, Inc. ("EGI") and Type Full Legal Name of Agency("Agency") dated Type Date of Agreement.

1. **Introduction.** Upon establishing legal authority Agency will use EGI's **ERAD-PREPAID** software ("Product") to access the client processing service ("Client Processing Service") and terminal application(s) ("Terminal Application(s)") described in Exhibits A and B respectively to this Rider (collectively, the "Payment Processing Service") in order to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices; and (ii) freeze and seize funds on prepaid access cards and other prepaid access devices for subsequent deposit to an authorized depository account owned and controlled by Agency.

2. **Term.** This Rider is effective as of the date of last signature ("Rider Effective Date"), and shall remain in effect for an initial period of five (5) years ("Initial Period"). After the Initial Period, this Rider shall be extended automatically for successive three (3) year periods. Either party may terminate this Rider as of the end of the then-current period by giving written notice at least ninety (90) days prior to the end of the that period.

3. **Fees.** In addition to any fees set forth in the attached Exhibits, Agency shall pay EGI the following fees:

Implementation Fee

\$ _____

Balance Inquiry and Freeze Fee

\$0.00 per balance inquiry transaction processed using the Products.
\$0.00 per freeze transaction processed using the Products.

Processing Fee

Seven and seven-tenths (7.7%) percent of the total dollar amount seized, during the term of this contract, using the Payment Processing Service. Each month, EGI will invoice Agency the Processing Fee upon determination by a court of competent jurisdiction that has adjudicated the case which gave rise to the Seizure. Agency will be responsible for paying the Processing Fee unless the court rules the seizure funds must be returned to the defendant.

EGI Pass-Through Fees

Agency must pay any fees, anticipated returns, fines or other third party charges associated with use of the Product (collectively, "Pass-Through Fees"), including, chargebacks, retrievals and fines.

4. **Payment Terminals and the Payment Processing Service.** Agency shall use the Product with the payment processing terminal(s) described in Exhibit B (individually, "Payment Terminal" and collectively, "Payment Terminals") to access the Payment Processing Service. Agency acknowledges that the Payment Processing Service and any bundled services associated with a Payment Terminal is a Third Party Service as defined in the Agreement, and that Agency's rights and obligations associated with same are set forth entirely in Agency's agreements in Exhibits A and B.

5. **License.**

5.1 Agency shall utilize the Product as provided by EGI on the Payment Terminal(s) and/or virtual terminal (i.e., website) in accordance with the instructions and Specifications provided by EGI. Accordingly, and subject to full payment of all applicable fees when due, Agency is granted a limited, non-exclusive, nontransferable license to use the Product to access the Payment Processing Services solely to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices confiscated from criminal suspects; and (ii) freeze or seize funds associated with prepaid access cards and other prepaid access devices confiscated from

criminal suspects. In no event shall Agency use the Product for any credit or debit related purchases. Agency shall have accepted the Product if: (a) it fails to give EGI written notice of any such material failure within that thirty (30) day period; or (b) uses the Product. EGI shall periodically provide access to releases for Agency's installation that update Product to the most current level maintained by EGI. Agency must always maintain Product at the most current release level. EGI shall have no liability for any loss, claim, demand, penalty, action, cause of action, suit, obligation, liability, damage, delay, cost, expense or attorney's fees, (collectively "Losses") arising out of Agency's failure to maintain Product at the most current release level.

5.2 Except as specifically permitted in the applicable Specifications, Agency shall not directly or indirectly: (i) lease, rent, assign, sublicense, transfer, disclose, provide, sell, market, distribute, reproduce or copy the Products; (ii) use or allow the Products to be used by or for the benefit of any third-party, including, without limitation, any successor, parent, affiliate, subsidiary or related agency; (iii) use the Product in a time-sharing arrangement or in the operation of a service bureau; (iv) modify, revise, delete or make additions to the Products; (v) reverse engineer the Products.

5.3 Agency shall keep the Products free and clear of any claim, lien or encumbrance, and any attempt to create a claim, lien or encumbrance on the Products shall be void from its inception. Agency shall be responsible for safeguarding the Products, and shall immediately notify EGI of any unauthorized possession or use.

5.4 EGI may, at its option, enhance Product functionality, utility or efficiency by producing new versions. EGI shall notify Agency of the terms and conditions, including additional charges, if any, required to license and/or maintain such new versions. Any modifications, revisions, deletions or additions to the Product shall be owned exclusively by EGI.

6. **Agency Reports.** Agency will provide EGI detailed reports, no later than the 5th of each month, detailing the case number, status and value of all prepaid access cards seized using the Payment Processing Service. The report will include sufficient detail such that EGI can independently verify accuracy of the information. EGI reserves the right to audit Agency records related to the status of cases involving the Payment Processing Service.

7. **Data Security.** Agency shall be solely responsible for the security of any network, platform or device used to access the Product. EGI shall provide commercially reasonable assistance with passwords used to access the Product, but all password administration, deletions, changes and ongoing oversight shall be the sole responsibility of Agency.

8. **Exclusivity.** EGI shall be the sole and exclusive provider of the Payment Processing Service to Agency and its affiliates, and neither Agency nor any of its affiliates shall engage a third party to provide the same or similar service, nor shall Agency provide same on its own behalf.

9. **Termination.** In addition to the termination rights provided in the Agreement, this Rider is terminable by EGI if: (i) Agency fails to have probable cause for use of the Product; (ii) Agency uses the Product for a purpose or in any fashion that is inconsistent with the express provisions of this Rider; or (iii) Agency's use of the Product is ruled illegal, in whole or in part, by any court. For the purpose of this Rider, the definition of "Early Termination" set forth in the Agreement is amended to include termination of this Rider by EGI as a consequence of the events described in this subsection.

10. **Definitions and Conflicts.** All capitalized terms not specifically defined in this Rider shall have the same meaning as in the Agreement. In the event of a conflict between the terms of this Rider and the Agreement, this Rider shall control.

TYPE FULL NAME OF AGENCY

ERAD GROUP INC.

Signature

Date

Signature

Date

Name and Title
ERAD Prepaid Rider

T. Jack William, President
Page 2

27 November 2015

EXHIBIT B-1

Purchased Terminal Bundled Solution Agreement

Section 1. Purchased Terminal Bundled Solution Description

1.1 Overview. EGI, shall provide the Purchased Terminal Bundled Solution (PTBS) to Agency in accordance with this Exhibit B-1. Each PTBS Solution consists of a VeriFone terminal device and VeriFone's PAYware Connect with data encryption, bundled with remote terminal management with automated downloads via VeriCentre, Support Services, Buyer Protection Plan Services or Repair Services, whichever the case may be, Priority Exchange Services and VeriFone Connect Services (all such services referred to herein as the "**Services**"), each as further described in this Exhibit B-1. Device types that will be made available as part of the PTBS Solution are as set forth below (**Devices**"). Agency acknowledges that EGI has contracted with VeriFone and with third parties for certain devices and services being provided hereunder, as specified in Exhibit B-2 (the "**Third Party Products and Services**").

1.2 Intentionally Omitted

1.3 Service Term. A minimum service term of three (3) years applies to each PTBS Solution (which includes the first Device) per Agency location, and separately for each additional Device at such location, as set forth in Exhibit B-2 (the "**Minimum Service Term**"). Such Minimum Service Term commences on the earlier of (a) the date a Device is activated on the PAYware Connect Gateway, or (b) two (2) months after EGI ships such Device. At the termination of the Minimum Service Term for each Device, several options are available to Agency with respect thereto, as set forth in Exhibit B-2. If Agency elects to continue the PTBS Solution for such Device, then, subject to Sections 2 and 8 of the Agreement (Term and Termination) and Section 3 in Exhibit B-2, EGI shall continue to provide the PTBS Solution for such Device until such time as Agency deactivates such Device (the "**Additional Service Term**" and with the Minimum Service Term, the "**Service Term**"); any such deactivation shall be effective immediately. Notwithstanding the foregoing, EGI reserves the right to terminate the PTBS Solution for any Device by providing 30 days written notice thereof to Agency at any time during the Additional Service Term for such Device.

1.4 Intentionally Omitted

Section 2. Software License

2.1 License to Device Software. EGI hereby grants Agency a non-exclusive, non-transferable limited license (a) to use the Device software (in object code form only) and/or documentation together with the Devices provided by EGI for the sole purpose of using such Devices, subject to the provisions in any separate license agreement or other document (relating to such software and/or documentation) supplied by EGI to Agency.

Section 3. Expiration or Termination

3.1 Termination of PTBS Solution. EGI shall have the right to terminate this Exhibit B-1 at any time upon ninety (90) days prior written notice to Agency if EGI ceases to offer the PTBS Solution to its customers generally. Upon any such termination: (a) Agency's right to order the applicable PTBS Solution shall terminate, (b) EGI shall no longer provide such PTBS Solution to Agency as of the termination date, and Agency's payment obligations shall terminate.

3.2 Termination of Third Party Products and Services. EGI shall have the right to terminate any Third Party Product or Third Party Services that may be included in the PTBS Solution at any time upon written notice to Agency if EGI's agreement with its product supplier or service provider terminates. EGI shall use commercially reasonable efforts to provide Agency with sixty (60) days written notice of any such termination; however, Agency acknowledges that EGI may not be able to provide such notice under its contractual arrangement with its service provider.

3.3 Effect of Expiration. Upon expiration of the Agreement or upon termination of the Agreement by either party: (a) Agency's right to order the PTBS Solution shall terminate, (b) EGI shall continue to provide the PTBS Solution to Agency with respect to their Devices through the remaining term, (c) EGI shall continue to provide the PTBS Solution to Agency for any Additional Service Terms, subject to termination by Agency by deactivation of the applicable Device or termination by EGI upon written notice.

3.4 Effect of Termination for Breach. In the event of termination of the Agreement for breach by EGI, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above. In the event of termination of the Agreement for breach by Agency, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above.

EXHIBIT B-2

Purchased Terminal Bundled Solution Pricing

Fees for Purchased Terminal Bundled Solution:

The fee amount is based on the specific Device models included

Table 1.0 PTBS Solution Pricing

PTBS Bundle #1	Price
<ol style="list-style-type: none">1. One (1) VX680 GPRS Terminal w/battery, thermal printer2. ERAD software license and Terminal User Guide3. One (1) ERAD Virtual Terminal seat license with reporting tool access4. Three (3) year Priority Exchange Services5. Three (3) year wireless connectivity and processing gateway access for prepaid access card transactions via VeriFone Connect GPRS Wireless Service6. Three (3) year next-day Repair Service if damaged during normal use.7. Excludes applicable sales tax and UPS ground freight	\$1,595.00

PTBS Bundle #2	Price
<ol style="list-style-type: none">1. One (1) VX680 WI-FI Terminal w/ battery, thermal printer2. ERAD software license and Terminal User Guide3. One (1) ERAD Virtual Terminal seat license with reporting tool access4. Three (3) year Priority Exchange Services5. Three (3) year processing gateway access for prepaid access card transactions6. Three (3) year next-day Repair Service if damaged during normal use.7. Excludes applicable sales tax and UPS ground freight	\$1,295.00

PTBS Bundle #3	Price
<ol style="list-style-type: none">1. One (1) VX520 dial/IP Terminal w/power cord, thermal printer2. ERAD software license and Terminal User Guide3. One (1) ERAD Virtual Terminal seat license with reporting tool access4. Three Year Priority Exchange Services5. Three (3) year processing gateway access for prepaid access card transactions6. Three (3) Buyer Protection Plan (BPP) next-day repair service if damaged during normal use.7. Excludes applicable sales tax and UPS ground freight	\$795.00

Other Services	Price
<ol style="list-style-type: none">1. Expedited shipping (excludes air delivery charges)2. Returned terminal for incorrect address/information3. Mini magnetic stripe card reader4. Magnetic Stripe Port Sharing license5. Additional Virtual seat license for transaction processing and report access per year. Internet access required for online portal	\$35.00 each \$25.00 each \$39.00 each \$29.00 each \$120.00/year

Pricing Notes:

- (a) One device is included in each Bundle. Certain devices are only available in the United States.
- (b) Priority Exchange Services are only available to clients in the United States.
- (c) Buyer Protection Plan (BPP) provided for Countertop devices. Repair Services provided for mobile handheld devices.
- (d) Help Desk Support is available to Agency for VeriFone products and services provided with the PTBS Bundles. For any Third Party Product or Service, EGI may extend Help Desk Support to such Third Party Product or Service, or the third party may provide direct support to the customer. The support terms for such Third Party Products and Services are available from EGI upon request.
- (e) For VeriFone's VX devices, VeriShield encryption is supported.
- (f) PTBS Bundle prices are based on IP transactions. A Dial Surcharge of \$0.024 per transaction will apply to any dial transactions.
- (g) The VeriFone Connect Service is a "Third Party Service."
- (h) Pricing is subject to change pursuant to Section 3 of the Agreement; however, any price change shall not apply to any Devices covered by an existing Term.

Device Return

Agency must request a Material Return Authorization from EGI in connection with any return of a Device to EGI under this Exhibit B-2.

Services:

(1) PAYware Connect with Data Encryption Services. PAYware Connect provides transaction routing to enable various transaction types, as well as online reporting. Data encryption services provide encryption of the sensitive credit/debit card track data elements from the Device to the PAYware Connect gateway, at which point the data elements are decrypted and sent to the applicable processor. For VX and MX devices, the VeriShield Protect Terminal Application must be installed in each Device in order to enable the encryption functionality.

Agency will have access to real-time transaction-based reports and terminal management (boarding/disabling) via the PAYware Connect gateway Client console. Agency can track its single or multi-location operations in a consolidated manner.

(2) VeriCentre Service. EGI will remotely manage terminal application software updates to the field on behalf of the Agency via its hosted VeriCentre service. Application updates will be automated during Agency off hours so no Agency action is required to acquire the download.

(3) Help Desk Services. EGI shall provide Agency with support services for the PAYware Connect Gateway. Agency may call the VeriFone Call Centre for Device issues. In such event, VeriFone shall provide Device troubleshooting for Device related problems or restore Device operation if possible and refer Agency to the BPP Services if necessary.

(4) Deployment Services. Prior to shipment, EGI shall perform the ERAD application download and ship the Devices to Agency. Any other additional deployment actions may be subject to additional fees.

(5) Buyer Protection Plan Services for Countertop Devices ("BPP Services")

During the Service Term, Agency may return a countertop device to EGI for repair. EGI shall use commercially reasonable efforts to complete the BPP Services and ship the serviced device back to Agency. EGI shall use only VeriFone-authorized parts on all VeriFone devices serviced. This BPP Service includes out of scope repairs required as a result of acts of nature, spillage and accidental breakage, subject to the limitation set forth below.

Specific BPP Services performed shall consist of the following, as applicable:

- a. Dating Devices in and out of repair process for tracking and reporting
- b. Troubleshooting and diagnostics of Devices to isolate problems
- c. Repairing/replacing defective components including boards and print head mechanisms due to normal wear and tear
- d. Cleaning internal components, cases, keys and accessories
- e. Replacing worn or scratched cases and keys
- f. Replacing scratched or tarnished lenses
- g. Installing applicable Engineering Change Orders
- h. Installing ribbon and paper in printers
- i. Accessories will be repaired or replaced if defective but will NOT be replaced if missing
- j. Testing of Devices (limited to power on and print test, if applicable)
- k. Repackaging in new boxes
- l. Maintaining repair history on all Devices serviced

Consumables: The BPP Services do not include consumable items such as paper, the Device stylus or the wireless Device battery.

Out of Scope Limit: Out of scope repairs are limited to twenty percent (20%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Out of Scope service on all units in excess of the allowed twenty percent.

No Trouble Found Limit: No Trouble Finds are limited to ten percent (10%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Clean and Test service on all units in excess of the allowed 10%.

(6) Repair Services for Mobile Handheld Wireless Devices (“Repair Services”)

EGI shall provide the following repair services for Devices that are VeriFone mobile handheld wireless devices: If it is determined that any Device is defective due to faulty workmanship or defective materials, or that any software component of such unit fails to substantially conform to the written documentation designated by VeriFone for use with such software component, then Agency may return such unit to EGI during the Service Term. Upon receipt of any such unit during the Service Term, EGI shall, at its expense, (1) in EGI’s sole discretion, repair or replace such unit, and (2) ship such unit to return it to its original location. EGI’s obligations hereunder shall arise only if EGI’s examination of the unit in question discloses to EGI’s satisfaction that the claimed defect or nonconformity actually exists and was not caused by any improper installation, testing or use, any misuse or neglect, any failure of electrical power, air conditioning or humidity control, or any act of God, accident, fire or other hazard.

(7) Priority Exchange Service

In the event that EGI’s Help Desk determines that a replacement is required for a failed unit of Device, EGI will initiate the shipment of such replacement device to Agency. Orders logged by the Help Desk **before** 5:00PM ET, Monday through Friday will be shipped the same day for next business day delivery. Orders logged by the Help Desk **at or after** 5:00PM ET, Monday through Friday, will be shipped the next business day, via standard overnight delivery. EGI-designated holidays are excluded. EGI will not be liable for any delays in order processing due to inaccurate or incomplete orders.

Prior to shipment, EGI shall perform the following services, as applicable, with respect to each unit:

1. Configure the Device - affix ERAD specific overlay, labels, and keypad covers, as applicable
2. Hardware testing - power up and test the Device
3. Download ERAD applications on the Device
4. Include ERAD instruction sheets with the replacement Device

Delivery of the replacement unit shall be via overnight courier, shipping and handling pre-paid. The Agency site shall be responsible for installing the replacement unit.

Supply items: Power Packs and cables are not to be returned with the non-functioning Device and should remain at the Agency site location. Power packs and cables are considered supply items.

Accessories: The stylus device must be returned with the non-functioning device as EGI will deploy a stylus with the functioning device.

For each failed unit of Device replaced by EGI hereunder, EGI shall arrange for retrieval of the defective Device. The Agency site shall be responsible for de-installing the failed unit, packing such unit in the shipping box sent with the replacement unit (pursuant to the instructions enclosed with the replacement unit), and including on the exterior of such box any Material Return Authorization (“MRA”) number enclosed with the replacement unit. EGI shall issue one call tag (dispatch a carrier) for each device. A call tag will include three carrier attempts to pick up the non-functioning device. If the second attempt is unsuccessful, EGI will contact the site to initiate retrieval. If by the third attempt the non-functioning device has still not been retrieved, EGI will contact the site and escalate for follow up. In the event Agency fails to return a failed Device within 45 days, EGI shall notify Agency of such non-recovered Device. In the event the failed unit is not recovered within 60 days after notification, and returned to EGI, EGI will invoice Agency at EGI’s list price for the Device, plus an administration fee of \$100.00. In the event the Device is recovered after invoicing takes place, this price will be credited back to Agency, minus the administration fee.

The repair of retrieved Device is covered under VeriFone’s BPP Services or Repair Services, as set forth above.

(8) VeriFone Connect GPRS Wireless Service

EGI shall provide Agency with its VeriFone Connect Services for the VX680 devices. All internet connectivity is the responsibility of Agency.

Specific terms related to the VeriFone Connect Services are set forth on VeriFone’s website at www.verifone.com/legal/vcra_cpt. In accordance with such pass-through provisions, Agency shall indemnify and hold harmless EGI, VeriFone and VeriFone’s third party service providers, and their officers, employees and affiliates, from and against any and all third party claims, irrespective of the nature of the claims, alleging loss, costs, expenses, damages or injuries (including injuries resulting in death) arising out of or in connection with any breach of such pass through provisions by Agency or a customer, or any claims for libel, slander, or any tangible property damage, personal injury or death, arising in any way, directly or indirectly, in connection with acts or omissions of Agency with respect thereto, or Agency’s use, failure to use, or inability to

use the VeriFone Connect Services, except where the claims result from the gross negligence or willful misconduct of any of the VeriFone or the service provider. Indemnities in this section shall survive the expiration or termination of the Agreement.

Agency shall not remove any SIM cards provided with a Device from such Device, without the express prior written consent of EGI or VeriFone.

EGI may interrupt the VeriFone Connect services at any time and for any period of time, without any liability on its part, if Agency fails to comply with any obligations under this Agreement, or where EGI reasonably deems it necessary to prevent the improper or unlawful use of the VeriFone Connect services.

Agency acknowledges that the VeriFone Connect services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance. VeriFone reserves the right, in its sole discretion, to make improvements to or correct any error or omissions in the VeriFone Connect services which may or may not affect access to the VeriFone Connect services.

WITH REGARD TO THE VERIFONE CONNECT SERVICES: (1) NEITHER EGI NOR VERIFONE SHALL BE LIABLE TO AGENCY FOR ANY DAMAGES ARISING OUT OF OR RELATING TO: (I) FACILITIES, EQUIPMENT, SOFTWARE, APPLICATIONS, SERVICES OR CONTENT PROVIDED BY AGENCY OR THIRD PARTIES, (II) SERVICE INTERRUPTIONS, DEGRADATION, ERRORS, DELAYS OR DEFECTS OF TRANSMISSION, (III) UNAUTHORIZED ACCESS TO OR THEFT, ALTERATION OR LOSS OR DESTRUCTION OF AGENCY OR THIRD PARTY'S APPLICATIONS, CONTENT, DATA, PROGRAMS, INFORMATION, NETWORK OR SYSTEMS BY ANY MEANS, OR (IV) ANY ACT OR OMISSION OF AGENCY OR A THIRD PARTY; AND (2) NEITHER EGI NOR VERIFONE IS LIABLE FOR ANY DELAYS IN SERVICE IMPLEMENTATION OR DELIVERY.

TYPE FULL LEGAL NAME OF AGENCY

Signature

Date

Name and Title



ERAD-PREPAID™ RIDER TO MASTER AGREEMENT

This **ERAD-PREPAID** Rider ("Rider") is made pursuant to, and is a part of, the Master Agreement ("Agreement") between ERAD Group, Inc. ("EGI") and Type Full Legal Name of Agency ("Agency") dated Type Date of Agreement.

1. **Introduction.** Upon establishing probable cause, Agency will use EGI's **ERAD-PREPAID** software ("Product") to access the client processing service ("Client Processing Service") and terminal application(s) ("Terminal Application(s)") described in Exhibits A and B respectively to this Rider (collectively, the "Payment Processing Service") in order to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices; and (ii) freeze or seize funds on prepaid access cards and other prepaid access devices for subsequent deposit to an authorized depository account owned and controlled by Agency.

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3. **Fees.** In addition to any fees set forth in the attached Exhibits, Agency shall pay EGI the following fees:

Implementation Fee

\$ _____

Balance Inquiry and Freeze Fee

\$0.00 per balance inquiry transaction processed using the Products.

\$0.00 per freeze transaction processed using the Products.

Seizure Fee

5.7 % of the total dollar amount seized using the Products.

EGI Pass-Through Fees

Agency must pay any fees, anticipated returns, fines or other third party charges associated with use of the Product (collectively, "Pass-Through Fees"), including but not limited to, chargebacks, retrievals and fines.

4. **Payment Terminals and the Payment Processing Service.** Agency shall use the Product with the payment processing terminal(s) described in Exhibit B (individually, "Payment Terminal" and collectively, "Payment Terminals") to access the Payment Processing Service. Agency acknowledges that the Payment Processing Service and any bundled services associated with a Payment Terminal is a Third Party Service as defined in the Agreement, and that Agency's rights and obligations associated with same are set forth entirely in Agency's agreements in Exhibits A and B.

5. **License.**

5.1 Agency shall utilize the Product as provided by EGI on the Payment Terminal(s) and/or virtual terminal(s) (i.e., website) in accordance with the instructions and Specifications provided by EGI. Accordingly, and subject to full payment of all applicable fees when due, Agency is granted a limited, non-exclusive, nontransferable license to use the Product to access the Payment Processing Services solely to: (i) identify the monetary amount of funds stored on prepaid access cards and other prepaid access devices confiscated from criminal suspects; and (ii) freeze and seize funds associated with prepaid access cards and other prepaid access devices confiscated from criminal suspects. In no event shall Agency use the Product for any credit or debit related purchases. Agency shall have accepted the Product if: (a) it fails to give EGI written notice of any such material failure within that thirty (30)

day period; or (b) uses the Product. EGI shall periodically provide access to releases for Agency's installation that update Product to the most current level maintained by EGI. Agency must always maintain Product at the most current release level. EGI shall have no liability for any loss, claim, demand, penalty, action, cause of action, suit, obligation, liability, damage, delay, cost, expense or attorney's fees, (collectively "Losses") arising out of Agency's failure to maintain Product at the most current release level.

5.2 Except as specifically permitted in the applicable Specifications, Agency shall not directly or indirectly: (i) lease, rent, assign, sublicense, transfer, disclose, provide, sell, market, distribute, reproduce or copy the Products; (ii) use or allow the Products to be used by or for the benefit of any third-party, including, without limitation, any successor, parent, affiliate, subsidiary or related agency; (iii) use the Product in a time-sharing arrangement or in the operation of a service bureau; (iv) modify, revise, delete or make additions to the Products; (v) reverse engineer the Products.

5.3 Agency shall keep the Products free and clear of any claim, lien or encumbrance, and any attempt to create a claim, lien or encumbrance on the Products shall be void from its inception. Agency shall be responsible for safeguarding the Products, and shall immediately notify EGI of any unauthorized possession or use.

5.4 EGI may, at its option, enhance Product functionality, utility or efficiency by producing new versions. EGI shall notify Agency of the terms and conditions, including additional charges, if any, required to license and/or maintain such new versions. Any modifications, revisions, deletions or additions to the Product shall be owned exclusively by EGI.

6. **Data Security.** Agency shall be solely responsible for the security of any network, platform or device used to access the Product. EGI shall provide commercially reasonable assistance with passwords used to access the Product, but all password administration, deletions, changes and ongoing oversight shall be the sole responsibility of Agency.

7. **Exclusivity.** EGI shall be the sole and exclusive provider of the Product to Agency and its affiliates, and neither Agency nor any of its affiliates shall engage a third party to provide the same or similar service, nor shall Agency provide same on its own behalf.

8. **Termination.** In addition to the termination rights provided in the Agreement, this Rider is terminable by EGI if: (i) Agency fails to have probable cause for use of the Product; (ii) Agency uses the Product for a purpose or in any fashion that is inconsistent with the express provisions of this Rider; or (iii) Agency's use of the Product is ruled illegal, in whole or in part, by any court.. For the purpose of this Rider, the definition of "Early Termination" set forth in the Agreement is amended to include termination of this Rider by EGI as a consequence of the events described in this subsection.

9. **Definitions and Conflicts.** All capitalized terms not specifically defined in this Rider shall have the same meaning as in the Agreement. In the event of a conflict between the terms of this Rider and the Agreement, this Rider shall control.

TYPE FULL LEGAL NAME OF AGENCY

ERAD GROUP INC.

Signature

Date

Signature

Date

Name and Title

T. Jack William, President

EXHIBIT B-1

Purchased Terminal Bundled Solution Agreement

Section 1. Purchased Terminal Bundled Solution Description

1.1 Overview. EGI, shall provide the Purchased Terminal Bundled Solution (PTBS) to Agency in accordance with this Exhibit B-1. Each PTBS Solution consists of a VeriFone terminal device and VeriFone's PAYware Connect with data encryption, bundled with remote terminal management with automated downloads via VeriCentre, Support Services, Buyer Protection Plan Services or Repair Services, whichever the case may be, Priority Exchange Services and VeriFone Connect Services (all such services referred to herein as the "**Services**"), each as further described in this Exhibit B-1. Device types that will be made available as part of the PTBS Solution are as set forth below (**Devices**"). Agency acknowledges that EGI has contracted with VeriFone and with third parties for certain devices and services being provided hereunder, as specified in Exhibit B-2 (the "**Third Party Products and Services**").

1.2 Intentionally Omitted

1.3 Service Term. A minimum service term of three (3) years applies to each PTBS Solution (which includes the first Device) per Agency location, and separately for each additional Device at such location, as set forth in Exhibit B-2 (the "**Minimum Service Term**"). Such Minimum Service Term commences on the earlier of (a) the date a Device is activated on the PAYware Connect Gateway, or (b) two (2) months after EGI ships such Device. At the termination of the Minimum Service Term for each Device, several options are available to Agency with respect thereto, as set forth in Exhibit B-2. If Agency elects to continue the PTBS Solution for such Device, then, subject to Sections 2 and 8 of the Agreement (Term and Termination) and Section 3 in Exhibit B-2, EGI shall continue to provide the PTBS Solution for such Device until such time as Agency deactivates such Device (the "**Additional Service Term**" and with the Minimum Service Term, the "**Service Term**"); any such deactivation shall be effective immediately. Notwithstanding the foregoing, EGI reserves the right to terminate the PTBS Solution for any Device by providing 30 days written notice thereof to Agency at any time during the Additional Service Term for such Device.

1.4 Intentionally Omitted

Section 2. Software License

2.1 License to Device Software. EGI hereby grants Agency a non-exclusive, non-transferable limited license (a) to use the Device software (in object code form only) and/or documentation together with the Devices provided by EGI for the sole purpose of using such Devices, subject to the provisions in any separate license agreement or other document (relating to such software and/or documentation) supplied by EGI to Agency.

Section 3. Expiration or Termination

3.1 Termination of PTBS Solution. EGI shall have the right to terminate this Exhibit B-1 at any time upon ninety (90) days prior written notice to Agency if EGI ceases to offer the PTBS Solution to its customers generally. Upon any such termination: (a) Agency's right to order the applicable PTBS Solution shall terminate, (b) EGI shall no longer provide such PTBS Solution to Agency as of the termination date, and Agency's payment obligations shall terminate.

3.2 Termination of Third Party Products and Services. EGI shall have the right to terminate any Third Party Product or Third Party Services that may be included in the PTBS Solution at any time upon written notice to Agency if EGI's agreement with its product supplier or service provider terminates. EGI shall use commercially reasonable efforts to provide Agency with sixty (60) days written notice of any such termination; however, Agency acknowledges that EGI may not be able to provide such notice under its contractual arrangement with its service provider.

3.3 Effect of Expiration. Upon expiration of the Agreement or upon termination of the Agreement by either party: (a) Agency's right to order the PTBS Solution shall terminate, (b) EGI shall continue to provide the PTBS Solution to Agency with respect to their Devices through the remaining term, (c) EGI shall continue to provide the PTBS Solution to Agency for any Additional Service Terms, subject to termination by Agency by deactivation of the applicable Device or termination by EGI upon written notice.

3.4 Effect of Termination for Breach. In the event of termination of the Agreement for breach by EGI, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above. In the event of termination of the Agreement for breach by Agency, the effect of termination for such breach shall be the same as the effect of expiration as set forth in Section 3.3 above.

EXHIBIT B-2

Purchased Terminal Bundled Solution Pricing

Fees for Purchased Terminal Bundled Solution:

The fee amount is based on the specific Device models included

Table 1.0 PTBS Solution Pricing

PTBS Bundle #1	Price
<ol style="list-style-type: none"> 1. One (1) VX680 GPRS Terminal w/battery, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three (3) year Priority Exchange Services 5. Three (3) year wireless connectivity and processing gateway access for prepaid access card transactions via VeriFone Connect GPRS Wireless Service 6. Three (3) year next-day Repair Service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground freight 	\$1,595.00

PTBS Bundle #2	Price
<ol style="list-style-type: none"> 1. One (1) VX680 WI-FI Terminal w/ battery, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three (3) year Priority Exchange Services 5. Three (3) year processing gateway access for prepaid access card transactions 6. Three (3) year next-day Repair Service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground freight 	\$1,295.00

PTBS Bundle #3	Price
<ol style="list-style-type: none"> 1. One (1) VX520 dial/IP Terminal w/power cord, thermal printer 2. ERAD software license and Terminal User Guide 3. One (1) ERAD Virtual Terminal seat license with reporting tool access 4. Three Year Priority Exchange Services 5. Three (3) year processing gateway access for prepaid access card transactions 6. Three (3) Buyer Protection Plan (BPP) next-day repair service if damaged during normal use. 7. Excludes applicable sales tax and UPS ground freight 	\$795.00

Other Services	Price
<ol style="list-style-type: none"> 1. Expedited shipping (excludes air delivery charges) 2. Returned terminal for incorrect address/information 3. Mini magnetic stripe card reader 4. Magnetic stripe port sharing software license 5. Additional Virtual seat license for transaction processing and report access per year. Internet access required for online portal 	\$35.00 each \$25.00 each \$39.00 each \$29.00 each \$120.00/year

Pricing Notes:

- (a) One device is included in each Bundle. Certain devices are only available in the United States.
- (b) Priority Exchange Services are only available to clients in the United States.
- (c) Buyer Protection Plan (BPP) provided for Countertop devices. Repair Services provided for mobile handheld devices.
- (d) Help Desk Support is available to Agency for VeriFone products and services provided with the PTBS Bundles. For any Third Party Product or Service, EGI may extend Help Desk Support to such Third Party Product or Service, or the third party may provide direct support to the customer. The support terms for such Third Party Products and Services are available from EGI upon request.
- (e) For VeriFone's VX devices, VeriShield encryption is supported.
- (f) PTBS Bundle prices are based on IP transactions. A Dial Surcharge of \$0.024 per transaction will apply to any dial transactions.
- (g) The VeriFone Connect Service is a "Third Party Service."
- (h) Pricing is subject to change pursuant to Section 3 of the Agreement; however, any price change shall not apply to any Devices covered by an existing Term.

Device Return

Agency must request a Material Return Authorization from EGI in connection with any return of a Device to EGI under this Exhibit B-2.

Services:

(1) PAYware Connect with Data Encryption Services. PAYware Connect provides transaction routing to enable various transaction types, as well as online reporting. Data encryption services provide encryption of the sensitive credit/debit card track data elements from the Device to the PAYware Connect gateway, at which point the data elements are decrypted and sent to the applicable processor. For VX and MX devices, the VeriShield Protect Terminal Application must be installed in each Device in order to enable the encryption functionality.

Agency will have access to real-time transaction-based reports and terminal management (boarding/disabling) via the PAYware Connect gateway Client console. Agency can track its single or multi-location operations in a consolidated manner.

(2) VeriCentre Service. EGI will remotely manage terminal application software updates to the field on behalf of the Agency via its hosted VeriCentre service. Application updates will be automated during Agency off hours so no Agency action is required to acquire the download.

(3) Help Desk Services. EGI shall provide Agency with support services for the PAYware Connect Gateway. Agency may call the VeriFone Call Centre for Device issues. In such event, VeriFone shall provide Device troubleshooting for Device related problems or restore Device operation if possible and refer Agency to the BPP Services if necessary.

(4) Deployment Services. Prior to shipment, EGI shall perform the ERAD application download and ship the Devices to Agency. Any other additional deployment actions may be subject to additional fees.

(5) Buyer Protection Plan Services for Countertop Devices ("BPP Services")

During the Service Term, Agency may return a countertop device to EGI for repair. EGI shall use commercially reasonable efforts to complete the BPP Services and ship the serviced device back to Agency. EGI shall use only VeriFone-authorized parts on all VeriFone devices serviced. This BPP Service includes out of scope repairs required as a result of acts of nature, spillage and accidental breakage, subject to the limitation set forth below.

Specific BPP Services performed shall consist of the following, as applicable:

- a. Dating Devices in and out of repair process for tracking and reporting
- b. Troubleshooting and diagnostics of Devices to isolate problems
- c. Repairing/replacing defective components including boards and print head mechanisms due to normal wear and tear
- d. Cleaning internal components, cases, keys and accessories
- e. Replacing worn or scratched cases and keys
- f. Replacing scratched or tarnished lenses
- g. Installing applicable Engineering Change Orders
- h. Installing ribbon and paper in printers
- i. Accessories will be repaired or replaced if defective but will NOT be replaced if missing
- j. Testing of Devices (limited to power on and print test, if applicable)
- k. Repackaging in new boxes
- l. Maintaining repair history on all Devices serviced

Consumables: The BPP Services do not include consumable items such as paper, the Device stylus or the wireless Device battery.

Out of Scope Limit: Out of scope repairs are limited to twenty percent (20%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Out of Scope service on all units in excess of the allowed twenty percent.

No Trouble Found Limit: No Trouble Finds are limited to ten percent (10%) of all Devices returned for repair by Agency, on a quarterly basis. In the event Agency exceeds this limit in any quarterly period, EGI may assess a fee for Clean and Test service on all units in excess of the allowed 10%.

(6) Repair Services for Mobile Handheld Wireless Devices (“Repair Services”)

EGI shall provide the following repair services for Devices that are VeriFone mobile handheld wireless devices: If it is determined that any Device is defective due to faulty workmanship or defective materials, or that any software component of such unit fails to substantially conform to the written documentation designated by VeriFone for use with such software component, then Agency may return such unit to EGI during the Service Term. Upon receipt of any such unit during the Service Term, EGI shall, at its expense, (1) in EGI's sole discretion, repair or replace such unit, and (2) ship such unit to return it to its original location. EGI's obligations hereunder shall arise only if EGI's examination of the unit in question discloses to EGI's satisfaction that the claimed defect or nonconformity actually exists and was not caused by any improper installation, testing or use, any misuse or neglect, any failure of electrical power, air conditioning or humidity control, or any act of God, accident, fire or other hazard.

(7) Priority Exchange Service

In the event that EGI's Help Desk determines that a replacement is required for a failed unit of Device, EGI will initiate the shipment of such replacement device to Agency. Orders logged by the Help Desk **before** 5:00PM ET, Monday through Friday will be shipped the same day for next business day delivery. Orders logged by the Help Desk **at or after** 5:00PM ET, Monday through Friday, will be shipped the next business day, via standard overnight delivery. EGI-designated holidays are excluded. EGI will not be liable for any delays in order processing due to inaccurate or incomplete orders.

Prior to shipment, EGI shall perform the following services, as applicable, with respect to each unit:

1. Configure the Device - affix ERAD specific overlay, labels, and keypad covers, as applicable
2. Hardware testing - power up and test the Device
3. Download ERAD applications on the Device
4. Include ERAD instruction sheets with the replacement Device

Delivery of the replacement unit shall be via overnight courier, shipping and handling pre-paid. The Agency site shall be responsible for installing the replacement unit.

Supply items: Power Packs and cables are not to be returned with the non-functioning Device and should remain at the Agency site location. Power packs and cables are considered supply items.

Accessories: The stylus device must be returned with the non-functioning device as EGI will deploy a stylus with the functioning device.

For each failed unit of Device replaced by EGI hereunder, EGI shall arrange for retrieval of the defective Device. The Agency site shall be responsible for de-installing the failed unit, packing such unit in the shipping box sent with the replacement unit (pursuant to the instructions enclosed with the replacement unit), and including on the exterior of such box any Material Return Authorization (“MRA”) number enclosed with the replacement unit. EGI shall issue one call tag (dispatch a carrier) for each device. A call tag will include three carrier attempts to pick up the non-functioning device. If the second attempt is unsuccessful, EGI will contact the site to initiate retrieval. If by the third attempt the non-functioning device has still not been retrieved, EGI will contact the site and escalate for follow up. In the event Agency fails to return a failed Device within 45 days, EGI shall notify Agency of such non-recovered Device. In the event the failed unit is not recovered within 60 days after notification, and returned to EGI, EGI will invoice Agency at EGI's list price for the Device, plus an administration fee of \$100.00. In the event the Device is recovered after invoicing takes place, this price will be credited back to Agency, minus the administration fee.

The repair of retrieved Device is covered under VeriFone's BPP Services or Repair Services, as set forth above.

(8) VeriFone Connect GPRS Wireless Service

EGI shall provide Agency with its VeriFone Connect Services for the VX680 devices. All internet connectivity is the responsibility of Agency.

Specific terms related to the VeriFone Connect Services are set forth on VeriFone's website at www.verifone.com/legal/vcra_cpt. In accordance with such pass-through provisions, Agency shall indemnify and hold harmless EGI, VeriFone and VeriFone's third party service providers, and their officers, employees and affiliates, from and against any and all third party claims, irrespective of the nature of the claims, alleging loss, costs, expenses, damages or injuries (including injuries resulting in death) arising out of or in connection with any breach of such pass through provisions by Agency or a customer, or any claims for libel, slander, or any tangible property damage, personal injury or death, arising in any way, directly or indirectly, in connection with acts or omissions of Agency with respect thereto, or Agency's use, failure to use, or inability to

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EMPSW1805

COMPLETE SECTIONS (1-9)

EMPSW1808

Merchant #: _____ Loc. 1 of _____

(1) TELL US ABOUT YOUR BUSINESS

Legal Name: _____ Store #: _____
 DBA/Outlet Name: _____ Last Contact Name: _____
 Address: (No P.O. Box) _____ Suite #: _____ City: _____ State: _____ Zip: _____
 Business Phone: _____ Customer Service Phone: N/A
 Fax Phone: N/A Cell Phone: N/A
 E-Mail Address: steve.beckerman@erad-group.com Website URL Address: N/A
 TIN Type: EIN (Fed Tax ID #) SSN Retrieval Requests: (02) Dedicated 24 hour fax (03) No fax; mail (05) Dispute Mgr.

NOTE: Failure to provide accurate information may result in a withholding of Client funding per IRS regulations.

Name (as it appears on your income tax return) _____ Federal Tax ID# (as it appears on your income tax return) _____ I certify that I am a foreign entity/nonresident alien. (If checked, please attach IRS Form W-8.)

Product/Services you sell: _____
 Time frame from transaction to delivery: % of orders delivered in: 0-7 days _____ % + 8-14 days _____ % + 15-30 days _____ % + over 30 days _____ % = **100%**
 Who performs product/service fulfillment? Direct Vendor _____ If Vendor, add name, address, phone. Other: (specify) _____
 Do you use any third party to store, process or transmit cardholder data? Yes No
 (Examples include, but not limited to: web hosting companies, electronic data capture and loyalty programs.)
 If yes, give name/address: _____
 Please identify any Software used for storing, transmitting, or processing card transactions or authorization requests: _____

(2) OWNERSHIP

State Incorp. _____ Mo/Yr Started: 1/2000 Sole Ownership Partnership Non Profit/Tax Exempt Public Corp. Private Corp. LLC Gov't.
 Owner/Partner/Officer Name: _____ D.O.B.: N/A Social Security #: N/A
 Home Phone: _____ Ownership %: N/A
 Home Address _____ City: _____ State _____ Zip: _____ Country: USA
 Owner/Partner/Officer Name: N/A D.O.B.: N/A Social Security #: N/A
 Home Phone: N/A Ownership %: N/A
 Home Address: N/A City: N/A State: _____ Zip: N/A Country: N/A

(3) BUSINESS FINANCIAL DATA

Total Annual Volume	This Outlet	All Outlets	Average Card Sale Amount	\$ 1,500	Card Present	90 %	Swiped	90 %
MasterCard/Visa	\$ 500,000	\$ 500,000	Highest Sale Amount	\$ 9,000	Internet	0 %	Keyed	10 %
Discover	\$ 10,000	\$ 10,000			Mail Order / Direct Marketing	0 %	Total	100 %
American Express	\$ 100,000	\$ 100,000			Phone Order	10 %		
Voyager	\$ _____	\$ _____			Total	100 %		
WEX	\$ _____	\$ _____						

(4) BANKING AND FUNDING INFORMATION

ABA #: _____ DDA #: _____
 ATTACH A COPY OF FUNDING CHECK OR BANK LETTERHEAD/LOGO SIGNED BY A BANK OFFICER WITH TYPED ABA/DDA. MUST INCLUDE BANK NAME AND ADDRESS.
 Deduct Fees: Daily (excluding Flat Rate) Monthly (fee will apply) Bank Will Fund: Outlet Head Office

(5) ENTITLEMENTS

American Express Debit Package 7 7 7 9 6 0 0 2 EBT SNAP / FNS #: _____
 Voyager Fleet (Participation in Voyager Tax Exempt Program): Yes No (if yes, additional request form required) WEX Full Acquiring WEX (Non-Full Svc) MC Fleet
 American Express Pass Through SE (existing): _____ Pass Through: Split Dial EDC

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DBA Name:

Loc. _____ of _____

EMPSW1805		(6) EQUIPMENT DETAILS					EMPSW1808	
Rental * Purchase Customer-Owned *Lease	QTY	IP	Equipment Type (i.e., Clover/Terminal/VAR)	Industry Type	Model Code and Name	Unit Price w/o Tax and S&H	For Customer-Owned Equipment Track / Version / Serial #	
R P <input checked="" type="checkbox"/> *L	1	<input checked="" type="checkbox"/>	VAR	Government	Verifone Payware Connect	\$ 0.00		
R P C *L		<input type="checkbox"/>				\$		
R P C *L		<input type="checkbox"/>				\$		
R P C *L		<input type="checkbox"/>				\$		

Shipping and Handling: Standard \$ 19.95 Overnight \$ 35.95 Enable EMV

*See Equipment Lease Agreement for the Terms and Conditions governing your Leased equipment.

(7) FEE SCHEDULE

Product Subscriptions (Monthly)	
Clover Services (Per Station)	(2CS) \$ <u>n/a</u>
Insightics Solution	(49M) \$ <u>n/a</u>
Perka Solution	(2D6) \$ <u>n/a</u>
TransArmor Solution	(3CM) \$ <u>n/a</u>

Compliance Fees	
Monthly Compliance Fee	(38A) \$ <u>0.00</u>
Annual Compliance Fee	(42F) \$ <u>0.00</u>

Mobile Pay	
Mobile Payments Setup Fee	(62S) \$ <u>n/a</u>
Mobile Payments Monthly Fee (Per Terminal ID)	(32Y) \$ <u>n/a</u>

eCommerce/Wireless Solutions	
Payeezy Monthly Fee	(40A) \$ <u>n/a</u>
Global ePricing MC/Visa Service Fee	(897, 898) <u>n/a</u> %
Internet Set-Up Fee	(30R) \$ <u>n/a</u>
Internet Auth Fee	(03R, 04R, 06I, 07I, 435, 0FC) \$ <u>0.05</u>
Internet Service Fee	(394) \$ <u>n/a</u>
Wireless Access Fee (Per User)	(60J) \$ <u>n/a</u>
Other:	\$ _____

Petroleum Services	
Datawire Micronode <input type="checkbox"/> Yes <input type="checkbox"/> No	Datawire Monthly Fee \$ <u>n/a</u>
Voyager Auth Fee	(0D0, 0D1, 0DV) \$ <u>n/a</u>
Sales/Credit Discount	(766, 767) <u>n/a</u> %
WEX Full Service Auth Fee	(0D4) \$ <u>n/a</u>
Sales/Credit Discount	(840, 841, 842, 843) <u>3.50</u> %
Chargeback Fee	(29H) \$ <u>25.00</u>
Retrieval Fee	(29I) \$ <u>7.50</u>
Non-Full Svc Auth Fee	(0B0, 0B1, 0BV) \$ <u>n/a</u>

Start-Up Fees	
Application Fee (Non-Refundable)	(32I) \$ <u>0.00</u>
Reprogramming Fee	(31A) \$ <u>0.00</u>
Debit Set-Up Fee	(31B) \$ <u>0.00</u>
Miscellaneous Fee	(31J) \$ <u>0.00</u>
*Equipment Purchase	(ACH) \$ <u>0.00</u>
Other: _____	() \$ _____
Total Amount	\$ _____ w/o tax

*Plus applicable State/City/Local sales tax.

Debit Fees	
Bundled Debit (120, 124, 125) (Applies to MC/V/Disc Non-PIN and PIN Debit)	Discount Rate <u>n/a</u> % Sales/Return Trans Fee \$ <u>n/a</u>
UnBundled Debit (018, Key 0-590, Key 0-593) (Applies to PIN Debit Only)	Transaction Fee \$ <u>n/a</u> *

* Plus applicable PIN Debit Network fees.

Miscellaneous Fees* (if Applicable)	
TransArmor Data Protection Token and Encryption	(12E, 12G) \$ <u>0.00</u>
Non-Receipt of PCI Validation	(42G) \$ <u>19.95</u>
Business Advantage Pkg	(40F) \$ <u>0.00</u>
Minimum Processing Fee	(954) \$ <u>0.00</u>
Paper Statement Fee (Default is free electronic statement)	(240) \$ <u>0.00</u>
Chargeback Fee	(205, 725, 20L) \$ <u>10.00</u>
ACH Reject Fee	(401) \$ <u>25.00</u>
Batch Settlement Fee	(227) \$ <u>0.00</u>
Monthly Funding Advantage	(158) _____%
AVS	(405, 406, 407, 408, 07A, 07B, 07C, 069, 079) \$ <u>0.10</u>
Voice Auth	(10B, 10E, 10K, 10Q) \$ <u>0.75</u>
MC/V/Discover Network Access Fee	(505, 504, 526) \$ <u>0.0340</u>
MC License Volume Fee	(818) <u>0.019</u> %
MC Cross Border Fee USD	(605, 606) <u>0.85</u> %
Visa Int'l Service Fee	USD (22A) <u>1.05</u> % Non-USD (22Z) <u>1.45</u> %
American Express Pass Through	(10P) \$ <u>0.00</u>
EBT	(18E, 18I, 02X, 18H) \$ <u>n/a</u>
Other:	\$ _____

*You may be charged, if applicable, additional Card Organization pass through fees and costs for your transactions as described in the Interchange Qualification Matrix and American Express Program Pricing Guide available at www.businesstrack.com.

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DBA Name: Loc. _____ of _____

(7) FEE SCHEDULE (cont'd)

Pricing Method: (Please select only one)	MC/Visa/Discover Ntwk 2-Tier	MC/Visa/Discover Ntwk 3-Tier	Transaction Fees (Applies to MC/Visa/Discover Ntwk 2-Tier and MC/Visa/Discover Ntwk 3-Tier ONLY)	MC/Visa/Discover Ntwk/American Express Discount Rate	IC Plus ^A
Qualified Discount Rates					
MC/Visa/Discover Ntwk Credit Discount Rate (800, 804, 170)	_____ %	_____ %	MC/V/ Discover Ntwk Credit Trans Fee (001,002,005,006) (015,016) \$ _____	_____ %	0.1 %
MC/Visa/Discover Ntwk/PINless POS *Non-PIN Debit Discount Rate (850, 854, 964, 27P)	_____ %	_____ %	MC/V/ Discover Ntwk/PINless POS Non-PIN Debit Trans Fee (130,131,134,135) (787,788,18C) \$ _____	_____ %	0.1 %
American Express (164, 165)					_____ %
Mid-Qualified Discount Rates (Does not apply to MC / Visa/Discover 2 Tier)					
MC/Visa/Discover Ntwk Credit Discount Rate (810, 814, 990)		_____ %	MC/V/ Discover Ntwk Credit Trans Fee (611,612,615,616) (717,718) \$ _____		
MC/Visa/Discover Ntwk *Non-PIN Debit Discount Rate (870, 874, 968)		_____ %	MC/V/ Discover Ntwk Non-PIN Debit Trans Fee (140,141,144,145) (791,792) \$ _____		
Non-Qualified Discount Rates					
MC/Visa/Discover Ntwk Credit Discount Rate (820, 824, 994)		_____ %	MC/V/ Discover Ntwk Credit Trans Fee (621,622,625,626) (721,722) \$ _____		
MC/Visa/Discover Ntwk *Non-PIN Debit Discount Rate (880, 884, 978)		_____ %	MC/V/ Discover Ntwk Non-PIN Debit Trans Fee (150,151,154,155) (795,796) \$ _____		
* Fees do not apply if Bundled Debit is chosen					
MC/V/Discover Ntwk/PINless POS Auth & Return Trans Fee (10A, 10D) (002, 006) (131, 135) (10J, 016, 706, 19E)				\$ _____	\$ _____
Non-Qual Surcharge Fee (30D) (excluding interchange pass-through fees, see Section 6.2) Applies to Non-qualified MC, Visa, Discover Ntwk, and/or Non-PIN Debit Transactions. Rewards Cards Surcharge Rate (20N)				0.00 %	

^A Interchange Rates are variable and are determined by how your transactions clear. Please see your Interchange Rate Schedule for Interchange Rates and Dues/Assessments, and the Interchange Qualification Matrix and American Express Program Pricing for qualification criteria as of the date of this Application. The Interchange Rates and Dues/Assessments are subject to change. American Express has Program Pricing which is not interchange and which is subject to change.

Note: See General Terms and Conditions for early termination fees.

(8) AGREEMENT APPROVAL

On behalf of myself as an individual, and the entity on whose behalf I am signing, (A) I authorize [Servicers], the applicable Card Organizations, and its and their Affiliates, third party subcontractors and/or agents: (i) to use, disclose, and exchange amongst them, the information in the Agreement and information about me personally, (including by requesting, personal and business consumer reports, bank references, and other information as necessary from time to time), for marketing and administrative purposes, verification purposes, purposes under the Merchant Processing Application and Agreement ("MPA"), if approved, and any other uses permitted by law; (ii) to inform me directly about the contents of requested consumer reports (including the name and address of the agency furnishing the report), and (iii) to receive any and all personal and business credit financial information from all references, including banks and consumer reporting agencies, which are hereby released to provide that information; and (B) I certify that: (i) The federal taxpayer identification number and corresponding filing name provided herein are correct; (ii) The statements made and agreed to in this MPA, to which I have not made any alterations or stricken out any language, are true, complete and accurate, and may be relied upon as current unless changed or updated per the Notice provisions of Agreement; (iii) I can read and understand the English language; (iv) I have received and read a copy of the (a) MPA (consisting of Sections 1-9), (b) General Terms and Conditions, (c) Confirmation Page (version [EMPSW1805], and (d) Interchange Rate Schedule. I understand that the Interchange Qualification Matrix and American Express Program Pricing Guide and Your Card Acceptance Guide are available at www.businessstrack.com and the signature below is for the entire contents of the listed documents; v) I have authority to bind the entity on whose behalf I am signing below; I further acknowledge and agree that I will not use my merchant account and/or the Services for illegal transactions, for example, those prohibited by the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. Section 5361 et seq, as may be amended from time to time or for processing and acceptance of transactions in certain jurisdictions pursuant to 31 CFR Part 500 et seq, and other laws enforced by the Office of Foreign Assets Control (OFAC).

Merchant Business Principal: (Please sign below)

Signature

Print Name: Date:

Title: President Vice President Member L.L.C. Owner Partner

Other:

Signature

Print Name: Date:

Title: President Vice President Member L.L.C. Owner Partner

Other: _____

(SERVICERS): Express Merchant Processing Solutions, (a division of First Data Merchant Services Corporation), and Wells Fargo Bank, N.A., (a member of Visa USA, Inc. and MasterCard International, Inc.)

Signature N/A

EMPSW1805

(9) PERSONAL GUARANTY

EMPSW1808

In exchange for Express Merchant Processing Solutions, (a division of First Data Merchant Services Corporation), and Wells Fargo Bank, N.A., (a member of Visa USA, Inc. and MasterCard International, Inc.), (the Guaranteed Parties) acceptance of the MPA and the General Terms and Conditions, the undersigned ("Guarantor"): (A) Unconditionally and irrevocably guarantees the full payment and performance of Merchant's obligations (i) as they now exist or as modified under the foregoing agreements, (ii) with or without actual notice of changes, and (iii) during and after the term of the agreements; (B) Waives notice of Merchant's default; (C) Shall indemnify the Guaranteed Parties for any and all amounts due from Merchant; (D) Warrants, with knowledge that Guaranteed Parties are acting in full reliance on the same, this Personal Guarantee of payment and not of collection; (E) Acknowledges that (i) the Guaranteed Parties may proceed in law directly against Guarantor and not Merchant, and (ii) this is a continuing personal guaranty and shall not be discharged or affected for any reason.

Signature (Please sign below):

Signature (Please sign below):

N/A, an individual

N/A, an individual

PROCESSOR INFORMATION: Name: First Data Merchant Services
 Address: 1307 Walt Whitman Road, Melville, NY 11747
 URL: www.firstdata.com Customer Service #: 800-273-8191

Please read this entire Agreement. It describes the terms on which we will provide merchant processing Services to you. This summary provides answers to commonly asked questions about your Agreement.

1. **Your Discount Rates and other fees** are calculated based on transactions qualifying for certain program pricing and interchange rates levied by the applicable Card Organization. Transactions that fail to qualify for these rates will be charged an additional fee. Interchange and program pricing levied by the Card Organization is subject to change, (see Section 6 of the General Terms & Conditions).
2. **We may debit your bank account** (also referred to as your Settlement Account) for amounts owed to us.
3. **You are liable for Chargebacks and there are many reasons why a Chargeback may occur.** When they occur we will debit your Settlement Account. See Section 8 of the General Terms & Conditions.
4. **If you wish to dispute any charge or funding,** you must notify us within 60 days of the date of the statement on which the charge or funding appears.
5. **This Agreement limits our liability to you.** See Section 10 of the General Terms & Conditions for further details.
6. **We have assumed certain risks** by agreeing to provide you with the Services. Accordingly, we may take certain actions to mitigate our risk, including termination of this Agreement, and holding monies otherwise payable to you (see Sections 16, 17 and 18 of the General Terms & Conditions).
7. **By executing this Agreement with us** you authorize us and our Affiliates to obtain and share financial and credit information regarding your business and the signers and guarantors of this Agreement until all your obligations to us and our Affiliates are satisfied.
8. **Early Termination Fee:** If you terminate this Agreement prior to the expiration of your initial three year term, you may have to pay an early termination fee. See Section 17 of the General Terms & Conditions.
9. **Arbitration:** This Agreement contains a binding arbitration provision in Section 28 that affects your rights under this Agreement with respect to all Services.

Information about Bank:

- a) Your Bank, who is a Visa and MasterCard Member Bank, is Wells Fargo Bank N.A (**Bank**), 1200 Montego, Walnut Creek, CA 94598, (925) 746-4143.
- b) Bank is the entity approved to extend acceptance of Visa and MasterCard products directly to you and will be a party to the sections of this Agreement listed in Section 2.2.
- c) Bank works with Processor to provide the Services to you with respect to Visa Cards and to MasterCard Cards.
- d) Bank shall, either directly or through Processor, advise you of pertinent Card Organization Rules with which you must comply.
- e) Bank is responsible for and must provide settlement funds to you and will be responsible for all funds held in a reserve.

Your Responsibilities:

- a) You must comply in full at all times with this Agreement (including the Your Card Acceptance Guide), all Card Organization Rules and all Cardholder and customer data security and storage requirements.
- b) You may view and download the Your Card Acceptance Guide at <https://www.businesstrack.com>
- c) You may view and download the Interchange Qualification Matrix and American Express Program Pricing Guide at <https://www.businesstrack.com>.
- d) You may download the Visa and MasterCard rules at: <http://usa.visa.com/merchants/merchant-support/international-operating-regulations.jsp>
<http://www.mastercard.com/us/merchant/support/rules.html>
- e) For your account to stay operational, you must keep fraud and Chargeback levels below Card Organization thresholds.
- f) Please retain a signed copy of your Agreement.

Print Merchant's Business Legal Name:

By signing below, you:

- (i) confirm that you have received and read the Application, General Terms & Conditions [version RSAWT1805, consisting of 12 pages including this Confirmation Page], [Interchange Rate Schedule]; and
- (ii) agree to all terms in this Agreement in your capacity as a person authorized to sign on behalf of the business set out in the Application.

NO SALES REPRESENTATIVE IS AUTHORIZED TO ACCEPT OR AGREE TO ANY ALTERATIONS TO THIS AGREEMENT.

Business Principal:

Signature (Please sign below):

X

 Please Print Name of Signer

Title

Date

Ame Change Request Form
North Platform - Merchant Services
**Denotes required fields*



Date:

Effective Date:

*Merchant ID: _____

*Business DBA Name:

Amex Average Ticket: \$1,500.00

Amex Volume: \$100,000.00

Field	*New SE #
American Express Pass Through SE #	

*Fee Sequence Code	*Value
10P (AMEX AUTH FEE)	0
10Q (AMEX VOICE AUTH FEE)	0
205 (AMEX CHARGEBACK FEE)	0

*Merchant Signature: _____ Date: _____

This form should be submitted through Merchant Service Center for processing.



13.6 Contract. Section Six – Bidder Agreements

Bidder shall provide any required software licenses, maintenance, service agreements and any other similar applicable agreements.

ERAD Response: The following contract documents are required to participate in the The ERAD-Prepaid™ Platform and are contained in Exhibit A

- 1) ERAD Agency Prepaid Master Agreement
- 2) ERAD Agency Forfeiture Prepaid Rider
- 3) ERAD Agency Seizure Prepaid Rider
- 4) ERAD Rider Exhibit A FDMS Amex
- 5) ERAD Agency Prepaid Registration



F. PRICE AND COST:

Supplier must submit the price of their proposal in the following format:

F.1 The pricing of the initial set up and renewal options

Description	Cost
Initial set up	\$5,000.00
Hardware	See Table F.1.1
Software License	See Table F.1.2
Installation	Included
Maintenance and support	See Table F.1.2
Training	\$1,500/Day
Total	

Table F.1.1 Hardware Pricing

Description	Cost
VX-680 Wireless Terminal w/ 3yr warranty, 3yr Virtual Terminal Software License	\$1,595.00
Mini Magstripe Reader	
Up to 10 Units	\$39.00
11 – 50 Units	\$34.00
More than 50 Units	\$29.00
Training	Included
Shipping & Handling	\$ Varies

Description	Year 1 renewal option	Year 2 renewal option	Year 3 renewal option	Year 4 renewal option
Virtual Terminal Software License	See Table F.1.2	See Table F.1.2	See Table F.1.2	See Table F.1.2
Maintenance and support	\$ 3,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00

Table F.1.2 Virtual Terminal Software License Pricing

Description	Monthly Cost Per License
1 to 10 Licenses	\$14.95
11 to 25 License	\$13.95
26 to 50 License	\$12.95
51-100 License	\$11.95
101-500 Licenses	\$11.45
501-1,000 Licenses	\$10.95
1001-2,500 Licenses	\$10.45
Over 2,500	\$9.95



F.2. The transaction cost

Transaction per	Per Transaction Fee
0-200	\$ 0.00
201-400	\$ 0.00
401-600	\$ 0.00
601-plus	\$ 0.00

F.3. The Completed forfeiture transaction cases once the funds are awarded to the state by the court.

Amount Forfeited	% fee
\$0-\$500	7.7%
\$501-\$1000	7.7%
\$1000-\$10000	7.7%
\$10001-\$50000	7.7%
\$50001-\$100000	7.7%
\$100001+	7.7%
Total	

F.3.1 Alternate Pricing Option for payment 30 days after funds are seized by DPS.

Amount Seized	% fee
\$0-\$500	5.7%
\$501-\$1000	5.7%
\$1000-\$10000	5.7%
\$10001-\$50000	5.7%
\$50001-\$100000	5.7%
\$100001+	5.7%
Total	