

## NON-COMPETITIVE PROCUREMENT JUSTIFICATION

A non-bid or non-competitive procurement contract request must have its basis in accordance with the following:

Illinois Compiled Statutes  
Chapter 65. Municipalities Illinois Municipal Code  
Article 8. Finance  
Division 10. Purchasing and Public Works Contracts in Cities of More Than 500,000  
§ 65 ILCS 5/8-10-4 Contracts not adapted to award by competitive bidding.

Sec. 8-10-4. "Contracts which by their nature are not adapted to award by competitive bidding, such as but not limited to contracts for the services of individuals possessing a high degree of professional skill where the ability for fitness of the individual plays an important part, contracts for supplies, materials, parts or equipment which are available only from a single source . . . shall not be subject to the competitive bidding requirements of this Article. . ."

### PROCUREMENT HISTORY (INCLUDING FUTURE PROCUREMENT OBJECTIVES)

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

The contract requires the Contractor to perform "check verification" services. This is a specialized service which enables the Contractor to verify whether or not a payment check has sufficient funds in the check-writer's bank account to cover the amount written on the check. The Department of Procurement Services recommended that this requirement be brought forth to the Sole Source Board since three RFP solicitation attempts for this service were unsuccessful. Also, since the amount of time and human resources required throughout those successive efforts did not result in a contract, the Chief Procurement Officer recommended entering into contract with this particular vendor via the non-competitive procurement process. (Please see attached memo from Barbara Lumpkin to Bea Reyna-Hickey, dated January 6, 2006.)

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

This is a first-time requirement.

3. *Explain attempts made to competitively bid the requirement. (Attach copy of notices and list of sources contacted.)*  
(Please see attached memo from Barbara Lumpkin to Bea Reyna-Hickey, dated January 6, 2006.)

4. *Describe any research done to find other sources. (List other cites contacted, companies in the industry contacted, professional organizations, periodicals, and other publications used.)*

(Please see attached memo from Barbara Lumpkin to Bea Reyna-Hickey, dated January 6, 2006.)

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

At this time, this is a one-time request intended to provide coverage of services for future periods.

6. *Explain whether or not future competitive bidding is possible. If not, why not?*

Future competitive bidding could be possible if the type of services required become non-professional in nature.

### ESTIMATED COST

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

The estimated cost for this requirement is about \$178,000 per year for Check Verification services only (i.e. with no Check Guarantee services required). (If 5-year initial term plus three 1-year extensions, total estimated value for all 8-years equals: \$1.424 million.)

2. *What is the funding source?*

006-0100-0294541-0140-220140

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

Cost proposal and from previous unsuccessful RFP proposals.

Adapted from the DPS "Instructions for Preparation of Non-Competitive Procurement Form (rev 9/97)"  
rev. 04nov2004

4. *Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling, or other factors which would be duplicated at City expense if another source was considered.*  
No substantial dollar investments are involved.
5. *Describe cost savings or other measurable benefits to the City which may be achieved.*  
Because Check Verification services will be performed, the City expects to substantially reduce losses incurred due to non-sufficient funds ("bad checks") written to pay debts owed to the City. Approximately \$3 million dollars are returned due to NSF.
6. *Explain what negotiations of price have occurred or will occur.*  
The quoted prices from ACH Direct, Inc. have, for the most part, been finalized.
7. *Detail why the estimated cost is deemed reasonable.*  
Cost proposals received in response to prior unsuccessful RFP solicitations provides a basis of comparison to deem the estimated cost to be reasonable.

### **SCHEDULE REQUIREMENTS**

1. *Explain how the schedule was developed and at what point the specific dates were known.*  
No scheduled dates have been developed.
2. *Is lack of drawings and/or specifications a constraining factor to competitive bidding?*  
Not applicable.
3. *Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.*  
No scheduled dates have been developed.
4. *Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs, and budgeted funds.*  
The past two RFP process began in 2002 and subsequent solicitations have been ruled-out. Another round of solicitations at this time would be contrary to the best interest of the City.

### **EXCLUSIVE OR UNIQUE CAPABILITY**

1. *If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, or other factors make this person or firm exclusively or uniquely qualified for the project.*  
(Please see attached memo from Barbara Lumpkin to Bea Reyna-Hickey, dated January 6, 2006.)
2. *Attach copy of cost proposal and scope of services.*  
Please see attached proposal from ACH Direct, Inc. dated August 2, 2006.
3. *Does the proposed firm have personnel considered unquestionably predominant in the particular field?*  
No.
4. *What prior experiences of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project, or program?*  
None.
5. *What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?*  
None.
6. *What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project, or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?*

Based on the circumstances of previous solicitation attempts, ACH Direct, Inc. was the only responsive and responsible firm qualified, willing, and able to meet the City's business requirements in the most timely manner.

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

This is a professional services requirement. All equipment and related products are generic

8. *Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data?*

ACH's proprietary Internet platform will be used to process City of Chicago check payments.

9. *If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from another source.*

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

*If so, attach letter from manufacturer.*

Not applicable.

**OTHER**

1. *Explain other related considerations and attach all applicable supporting documents (e.g. (ITSC) Information Technology Strategy Committee approval forms, etc.).*

Not required.

2. *Explain what opportunities of direct/indirect involvement of MBEs and WBEs have been discussed and/or are available in this contract.*

ACH Direct, Inc. was able to commit to full 16.9% MBE and 4.5% WBE compliance. (Please see attached Schedules.)

□

S. S. R. B.

DATE 10/23/02

APPROVED DWY

CONDITIONALLY  
APPROVED.....

RETURN TO DEPT.....

DISAPPROVED....

**CITY OF CHICAGO  
 PURCHASE REQUISITION**

**Copy (Department)**

<b>DELIVER TO:</b>  029-4708 COLLECTIONS 50 W WASHINGTON Chicago, IL 60601	<b>REQUISITION:</b> 30493  <b>PAGE:</b> 1 <b>DEPARTMENT:</b> 29 - DEPARTMENT OF REVENUE <b>PREPARER:</b> Steven Y Sakai <b>NEEDED:</b> <b>APPROVED:</b> 10/12/2006
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**REQUISITION DESCRIPTION**

NEW Non-Competitive contract request for: Check Verification services.  
 SPECIFICATION NUMBER: 51810

**COMMODITY INFORMATION**

LINE	ITEM	QUANTITY	UOM	UNIT COST	TOTAL COST						
1	94625 Check Verification Services	#####	USD	1.00	1,424,000.00						
<b>SUGGESTED VENDOR:</b>		<b>REQUESTED BY:</b> Steven Y Sakai									
DIST	BFY	FUND	COST CTR	APPR	ACCNT	ACTV	PROJECT	RPT CAT	GENRL	FUTR	Dist. Amt.
1	006	0100	0294641	0140	220140	0000	00000000	000000	00000	0000	1,424,000.00
<b>LINE TOTAL:</b>											<b>1,424,000.00</b>
<b>REQUISITION TOTAL:</b>											<b>1,424,000.00</b>

# DPS PROJECT CHECKLIST

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

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

**GENERAL INFORMATION:**

Date: **October 13, 2006**  
 REQ No.: **30493**

Contact Person: **Steve Sakai**  
 Tel: **7-3753** Fax: **7-2420** E-mail: **steve.sakai@cityofchicago.org**

PO No.: (if known):

Project Manager: **Julia Trinh**  
 Tel: **4-8139** Fax: **4-0471** E-mail: **@cityofchicago.org**

Modification No.: (if known):

Previous PO No.: (if known): **none**

Project Description: **Check Verification Services**

**FUNDING:**

City:  Corporate  Bond  Enterprise  Grant\*  Other  
 State:  IDOT/Transit  IDOT/Highway  Grant\*  Other  
 Federal:  FHWA  FTA  FAA  Grant\*  Other

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	OBJT	PROJECT	RPTG	\$ DOLLAR AMOUNT
	006	0100	029	4641	0140	0140				1,424,000

Estimated Value \$1,424,000 for 8-years

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

**SCOPE STATEMENT:**

Attached is a Detailed Scope of Services and/or Specification

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

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

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

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

**NEW REQUEST**

Blanket Agreement  
 Standard Agreement  
 Small Orders

**MOD/AMENDMENT**

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

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

CONTRACT TERM: **5 +3** Requested Term (number of months): **60 36**

**PRE BID/SUBMITTAL REQUIREMENTS:**

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

# DPS PROJECT CHECKLIST

## ARCHITECTURAL/ENGINEERING SUPPLEMENTAL CHECKLIST

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

**Risk Management**

Will services be performed within 50 feet of CTA train or other railroad property?

Yes  No

Will services be performed on or near a waterway?

Yes  No

**If applicable, Pre-Qualification** Category No.                      Category Description:

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

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

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## AVIATION CONSTRUCTION SUPPLEMENTAL CHECKLIST

DOA sign-off for final design documents:  Yes  No

**Required Attachments:**

Copy of Draft Contract Documents and Detailed Specifications.

**Risk Management:**

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

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

Will work be performed airside? Yes  No

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

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## COMMODITIES SUPPLEMENTAL CHECKLIST

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

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

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

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## CONSTRUCTION SUPPLEMENTAL CHECKLIST

**Required attachments:**

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

**Risk Management**

Will services be performed within 50 feet of CTA train or other railroad property?

Yes  No

Will services be performed on or near a waterway?

Yes  No

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# DPS PROJECT CHECKLIST

## VEHICLES/HEAVY EQUIPMENT SUPPLEMENTAL CHECKLIST

### Required Attachments:

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

If Modification request, please verify and provide the following:

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:

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## PROFESSIONAL SERVICES SUPPLEMENTAL CHECKLIST

- Detailed description of project listing obligations of each party.
  - The Schedule of Compensation
  - Deliverables
  - Request for individual contract services (if applicable)
  - The appropriate EPS form
  - ITSC (approved by BIS)
  - OBM (approved by Budget form/memo)
  - Grant document attached
- Attach any documentation indicating any previous purchase activity to assist in the procurement process

## TELECOMMUNICATIONS AND UTILITIES SUPPLEMENTAL CHECKLIST

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

Has the project been reviewed by DGS?            Yes    No

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

Does the project include software?            Yes    No

If yes, is signed ITSC form attached?            Yes    No

Does the location involve:

A public way?    Yes    No

Any concession in the City's facilities?            Yes    No

Is it anticipated City Council approval of the project or contract will be required?            Yes    No

# DPS PROJECT CHECKLIST

## WORK SERVICES/FACILITY MAINTENANCE SUPPLEMENTAL CHECKLIST

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

**Risk Management:**

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

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

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

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

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

Contractor's Name:

Contractor's Address:

Contractor's e-mail Address:

Contractor's Phone Number:

Contractor's Contact Person:





City of Chicago  
Richard M. Daley, Mayor

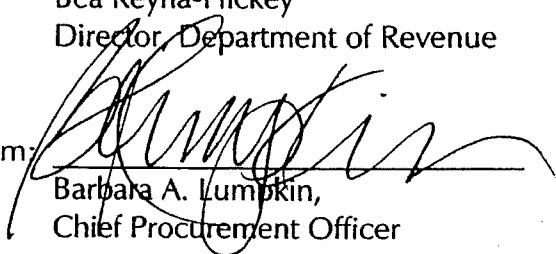
Department of  
Procurement Services

Barbara A. Lumpkin  
Chief Procurement Officer

City Hall, Room 403  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4900  
(312) 744-2949 (TTY)  
<http://www.cityofchicago.org>

## MEMORANDUM

To: Bea Reyna-Hickey  
Director, Department of Revenue

From:   
Barbara A. Lumpkin,  
Chief Procurement Officer

Re: Recommendation Letter of 12/8/05 for RFQ for Check Processing  
Services  
Specification # 22215

Date: January 6, 2006

After reviewing the Evaluation Committee's findings and recommendation, I do not concur with the selection of the State of Illinois Treasurer's Office based on the fact that they are not the direct service provider for check processing services and rely on a network of subcontracted service providers through ACH Direct, Inc. and they do not have experience with check guarantee processing required by City. It is not clear why ACH Direct, Inc. did not respond as the prime contractor in light of the fact that E Pay is a proprietary internet platform for which the software is owned by ACH Direct, Inc which raises issues about software licensing and escrow agreements. In addition, the Evaluation Committee's recommendation itself raises concerns about the State's dependency on this network of service providers requiring more information and raises concerns about potential risk to the City in the event any breakdown in the subcontractor linkage could disrupt services and require the City to fall back to manually processing checks.

In light of the previous solicitations for this requirement resulted in no vendor selection or contract award, the option of soliciting new proposals would not be viable. Since competition has been attempted, other options to consider include:



1. Determine interest from ACH Direct, Inc., in directly contracting with the City. If receptive, obtain a proposal from ACH Direct, Inc. and request authorization to negotiate a Professional Services Agreement with ACH Direct, Inc. from the Non-Competitive Procurement Review Board.
2. If option #1 is not viable due to an exclusive arrangement between the State Treasurer's Office and ACH Direct, Inc, request involvement of the Law Department to draft an Inter-Governmental Agreement (IGA) between the City and the State of Illinois Treasurer's Office for these services. City Council action may be required for this option.

We recognize your need for these services, but other options must be considered. If you have any questions, please contact John O'Brien at 744-4922.

BAL/job

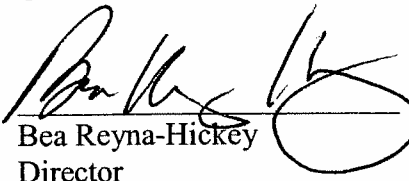
cc: Barbara A. Lumpkin, Chief Procurement Officer  
Lourdes Nur, Managing Deputy Procurement Officer  
Aileen Velazquez, Deputy Procurement Officer  
Julia Trinh, Dept. of Revenue  
Frank Bello, Treasurer's Office  
Steve Sakai, Dept. of Revenue  
Denise Hudson, DPS  
John O'Brien, DPS  
File (Spec # 22215)



## DEPARTMENT OF REVENUE

# MEMORANDUM

To: Barbara A. Lumpkin  
Chief Procurement Officer

From:   
Bea Reyna-Hickey  
Director  
Department of Revenue

Subject: Check Processing Services  
Specification #22215

Date: January 18, 2006

This memorandum is written to inform you that the Department of Revenue will act upon your recommendation, and engage **ACH Direct, Inc.**, to discover their interests in providing check processing services for the City of Chicago.

On December 9, 2005, I submitted a recommendation to you to have the Department of Procurement Services proceed with contract negotiations with the State of Illinois, in response to the above referenced RFQ. On January, 6, 2006, I received your reply, which was *not* in concurrence with the Department of Revenue's recommendation. As a result of your decision, you proposed two options for us to consider, both in hopes of providing the Department of Revenue with the check processing services it requires. This memorandum is to inform you that we will pursue option #1: and that we will contact ACH Direct, Inc., to discuss our requirements with them.

Thank you for your considerations, and if you require additional information, please contact me, or my Deputy of Payment Processing Julia Trinh, at 744-8139, or Steve Sakai, Contracts Coordinator, at 747-3753.

cc: Aileen Velazquez – Department of Procurement Services  
John O'Brien – Department of Procurement Services  
Julia Trinh – Department of Revenue  
Mark Galvan – Department of Revenue  
Steven Sakai – Department of Revenue





October 10, 2006

Via Overnight Mail

Mr. Steven Y. Sakai  
Contracts Coordinator  
City of Chicago  
Department of Revenue  
333 S. State Street, Room 530  
Chicago, Illinois 60604-3753

Re: ACH Direct, Inc. MBE/WBE Compliance

Dear Mr. Sakai:

Enclosed herewith are the documents for our MBE/WBE Compliance.

If you have any questions, do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to be "Jeffrey J. Thorness", written over a horizontal line.

Jeffrey J. Thorness  
President/CEO

JJT/skt

Enclosures

# SCHEDULE D-1

## Affidavit of MBE/WBE Goal Implementation Plan

Contract Name: Check Processing Services  
Specification No.: 22215

State of Texas

County (City) of Collin

I HEREBY DECLARE AND AFFIRM that I am duly authorized representative of:

ACH Direct, Inc.  
(Name of Contractor)

and that I have personally reviewed the material and facts set forth herein describing our proposed plan to achieve the MBE/WBE goals of this contract.

All MBE/WBE firms included in this plan have been certified as such by the City of Chicago (Letters of Certification Attached) or have had a complete application for MBE/WBE certification on file with the City of Chicago at least thirty (30) days.

### 1. Direct Participation of MBE/WBE Firms

(Note: The Contractor will, in determining the manner of MBE/WBE participation, first consider involvement with MBE/WBE firms as joint venture partners, subcontractors and suppliers of goods and services directly related to the performance of this contract.)

1. If Contractor is a certified MBE or WBE firm, attach copy of City of Chicago Letter of Certification. (Certification of Contractor as a MBE satisfies the MBE goal only. Certification of Contractor as a WBE satisfies the WBE goal only.)
2. If Contractor is a joint venture and one or more joint venture partners are certified MBEs and WBEs, attach copies of Letters of Certification and a copy of Joint Venture Agreement clearly describing the role of the MBE/WBE firm(s) and its ownership interest in the joint venture.

### 3. MBE/WBE Subcontractors/Suppliers/Consultants:

1. Name of MBE/WBE: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Dollar Amount Participation: \$ \_\_\_\_\_

Percentage Amount of Participation: \_\_\_\_\_%

Schedule C-1 attached? Yes \_\_\_ No \_\_\_ \*(see Page 2)

2. Name of MBE/WBE: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Dollar Amount Participation: \$ \_\_\_\_\_

Percentage Amount of Participation: \_\_\_\_\_%

Schedule C-1 attached? Yes \_\_\_ No \_\_\_ \*

3. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount Participation: \$ \_\_\_\_\_  
Percentage Amount of Participation: \_\_\_\_\_ %  
**Schedule C-1 attached?    Yes \_\_\_    No \_\_\_ \***

4. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount Participation: \$ \_\_\_\_\_  
Percentage Amount of Participation: \_\_\_\_\_ %  
**Schedule C-1 attached?    Yes \_\_\_    No \_\_\_ \***

5. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_  
Dollar Amount Participation: \$ \_\_\_\_\_  
Percentage Amount of Participation: \_\_\_\_\_ %  
**Schedule C-1 attached?    Yes \_\_\_    No \_\_\_ \***

**6. Attach additional sheets as needed.**

\*All Schedule C-1s and Letters of Certification not submitted with bid/proposal must be submitted so as to assure receipt by the Contract Administrator within three (3) business days after bid opening (or proposal due date).

**2. Indirect Participation of MBE/WBE Firms**

(**Note:** This section need not be completed if the MBE/WBE goals have been met through the direct participation outlined in Section I. If the MBE/WBE goals have not been met through direct participation, contractor will be expected to demonstrate that the proposed MBE/WBE direct participation represents the maximum achievable under the circumstances. Only after such a demonstration will indirect participation be considered.)

**Schedule D-1**  
**Affidavit of MBE/WBE Goal Implementation Plan**

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MBE/WBE Subcontractors/Suppliers/Consultants proposed to perform work or supply goods or services where such performance does not directly relate to the performance of this contract:

1. Name of MBE/WBE: JJC Group, Inc.  
Address: 1335 Lakeside Dr., Suite 2, Romeoville, IL 60446  
Contact Person: Margaret Gaddois Phone: 630-226-5800  
Dollar Amount Participation: \$153,857.05 (D.U.R.)  
Percentage Amount of Participation: 16.9 %  
Schedule C-1 attached?      Yes X      No   \*
  
2. Name of MBE/WBE: Computer Products & Supplies, Inc.  
Address: 337 W. Main St., Barrington, IL 60010  
Contact Person: Barbara Conti      Phone: 847-382-0080  
Dollar Amount Participation: \$40,965.86 (D.U.R.)  
Percentage Amount of Participation: 4.5 %  
Schedule C-1 attached?      Yes X      No
  
3. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_      Phone: \_\_\_\_\_  
Dollar Amount Participation: \$ \_\_\_\_\_  
Percentage Amount of Participation: \_\_\_\_\_ %  
Schedule C-1 attached?      Yes         No
  
4. Name of MBE/WBE: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contact Person: \_\_\_\_\_      Phone: \_\_\_\_\_  
Dollar Amount Participation: \$ \_\_\_\_\_  
Percentage Amount of Participation: \_\_\_\_\_ %  
Schedule C-1 attached?      Yes         No
  
5. **Attach additional sheets as needed.**

**Schedule D-1**  
**Affidavit of MBE/WBE Goal Implementation Plan**

\*All Schedule C-1s and Letters of Certification not submitted with bid/proposal must be submitted so as to assure receipt by the Contract Administrator within three (3) business days after bid opening (or proposal due date).

**3. Summary of MBE/WBE Proposal:**

**1. MBE Proposal:**

**1. MBE Direct Participation (from Section I):**

<u>MBE Firm Name</u>	<u>Dollar Amount of Participation</u>	<u>Percent Amount of Participation</u>
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
<b>Total Direct MBE Participation:</b>	<b>\$ _____</b>	<b>_____ %</b>

**2. MBE Indirect Participation (from Section II):**

<u>MBE Firm Name</u>	<u>Dollar Amount of Participation</u>	<u>Percent Amount of Participation</u>
JJC Group, Inc.	\$ 153,857.05	16.9 %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
<b>Total Indirect MBE Participation:</b>	<b>\$ 153,857.05</b>	<b>16.9 %</b>

**2. WBE Proposal:**

**1. WBE Direct Participation (from Section I):**

<u>WBE Firm Name</u>	<u>Dollar Amount of Participation</u>	<u>Percent Amount of Participation</u>
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
<b>Total Direct WBE Participation:</b>	<b>\$ _____</b>	<b>_____ %</b>

**2. WBE Indirect Participation (from Section II):**

<u>WBE Firm Name</u>	<u>Dollar Amount of Participation</u>	<u>Percent Amount of Participation</u>
Computer Products & Supplies, Inc.	\$ 40,965.86	4.5 %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
<b>Total Indirect WBE Participation:</b>	<b>\$ 40,965.86</b>	<b>4.5 %</b>



**Schedule D-1**  
**Affidavit of MBE/WBE Goal Implementation Plan**

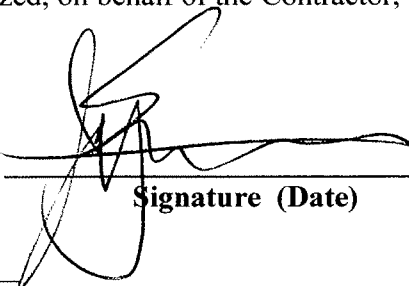
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To the best of my knowledge, information and belief, the facts and representations contained in this Schedule are true, and no material facts have been omitted.

The Contractor designates the following person as their MBE/WBE Liaison Officer:

**Name:** Jeffrey J. Thorness **Phone Number:** (469) 675-9920 x 709

I do solemnly declare and affirm under penalties of perjury that the contents of the foregoing document are true and correct, and that I am authorized, on behalf of the Contractor, to make this affidavit.

  
\_\_\_\_\_  
**Signature (Date)** 10/10/06

**State of** Texas  
**County of** Collin

This instrument was acknowledged before me on Oct. 10, 2006 (date)  
by Jeffrey J. Thorness (name(s) of person(s))  
as President/CEO (type of authority, e.g., officer, trustee, etc.)  
of ACH Direct, Inc. (name of party on behalf of whom instrument was executed).

Sarita K. Teitelbaum  
**Signature of Notary Public**



### SCHEDULE C-1

Letter of Intent from MBE/WBE to Perform  
as Subcontractor, Supplier and/or Consultant

Name of Project/Contract: Check Processing Services  
Specification Number: 22215

From: JJC Group, Inc. MBE: Yes  No   
(Name of MBE/WBE Firm) WBE: Yes  No

To: ACH Direct, Inc. and the City of Chicago:  
(Name of Prime Contractor - Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

Sole Proprietor  Corporation  
 Partnership  Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of Feb. 24, 2004 to Jan. 1, 2008 for a period of one year.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

Computer Systems and Applications Design, Programming and Consulting; Installation of LANs and WANs  
Supplier of Computer Hardware, Software and Supplies

The above described performance is offered for the following price and described terms of payment:

Per quote, to perform 16.9% of the actual contract value, where "actual contract value" equals the dollars paid by City to ACH over the entire term of the contract.

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within three (3) working days of receipt of a signed contract from the City of Chicago.

Margaret M. Garbois  
(Signature of Owner or Authorized Agent)  
MARGARET M. GARBOIS / PRESIDENT  
Name/Title (Print)  
10-9-06  
Date  
630-226-5800  
Phone



City of Chicago  
Richard M. Daley, Mayor

Department of  
Procurement Services

Eric J. Griggs  
Acting Chief Procurement Officer

City Hall, Room 403  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4900  
(312) 744-2949 (TTY)

<http://www.cityofchicago.org>

Margaret M. Gadbois, President  
**JJC Group, Inc.**  
1335 Lakeside Drive, Suite 2  
Romeoville, Illinois 60446

Re: **3<sup>rd</sup> ANNIVERSARY CERTIFICATION**  
Certification Effective: February 24, 2004  
Certification Expires: January 1, 2008  
Annual Affidavit Certificate Expires: January 1, 2005

Dear Ms. Gadbois:

Congratulations on your continued eligibility for certification as an **MBE/WBE** by the City of Chicago. Re-validation of **JJC Group, Inc.**'s certification is required by **January 1, 2005**.

As a condition of continued certification during this five year period, you must continue to file a No-Change Affidavit within 60 days of the date of expiration. **Please note that you must include a copy of your most current Corporate Federal Tax Returns.** Failure to file this Affidavit will result in the termination of your certification.

You must also notify the Office of Business Development of any changes in ownership or control of your firm or any other matters or facts affecting your firm's eligibility for certification.

The City may commence actions to remove your firm's eligibility if you fail to notify us of any changes in ownership, management or control, or otherwise fail to cooperate with the City in any inquiry or investigation. Removal of eligibility procedures may also be commenced if your firm is found to be involved in bidding or contractual irregularities.

Your firm's name will be listed in the City's Directory of Disadvantaged Business Enterprises, Minority Business Enterprises and Women Business Enterprises in the specialty area(s) of:

**Computer Systems and Applications Design,  
Programming and Consulting; Installation of LANS  
and WANS, Supplier of  
Computer Hardware, Software and Supplies**

Your firm's participation on City contracts will be credited only toward **MBE/WBE** goals in your area(s) of specialty. While your participation on City contracts is not limited to your specialty, credit toward **MBE/WBE** goals will be given only for work done in the specialty category.

Thank you for your continued interest in the City's Minority, Women and Disadvantaged Business Enterprise Programs.

Very truly yours,

Michael J. McMurray  
Deputy Procurement Officer

MJM/emc





City of Chicago  
Richard M. Daley, Mayor

Department of  
Procurement Services

Barbara A. Lumpkin  
Chief Procurement Officer

City Hall, Room 403  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4900  
(312) 744-2949 (TTY)  
<http://www.cityofchicago.org>

July 25, 2006

Margaret M. Gadbois, President  
**JJC Group, Inc**  
1335 Lakeside Dr., Suite 2  
Romeoville, Illinois 60446

Dear Ms. Gadbois:

The City of Chicago Department of Procurement Services ("Department") has undertaken an evaluation of procurement policies and procedures including those utilized within the M/WBE and DBE certification unit. In light of this evaluation and in anticipation of streamlining our procedures, the Department extends your **MBE/WBE certification until April 1, 2007.**

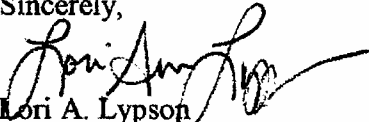
The Department may request additional information from you prior to the expiration of the courtesy period. This information will assist us in making a determination on the recertification of your company. You will receive additional information from the Department in the coming days.

As you know, your firm's participation on contracts will be credited only toward **MBE/WBE** in the following specialty area(s):

**Computer Systems and Applications Design, Programming and Consulting; Installation of LANS and WANS, Supplier of Computer Hardware, Software and Supplies**

If you have any questions, please contact our office at 312-742-0766.

Sincerely,

  
Lori A. Lypson  
Deputy Procurement Officer

rg



# SCHEDULE C-1

Letter of Intent from MBE/WBE to Perform  
as Subcontractor, Supplier and/or Consultant

Name of Project/Contract: Check Processing Services  
Specification Number: 22215

From: Computer Products + Supplies MBE: Yes \_\_\_: No X  
(Name of MBE/WBE Firm) INT'L WBE: Yes X: No \_\_\_

To: ACH Direct, Inc. and the City of Chicago:  
(Name of Prime Contractor / Bidder/Proposer)

The undersigned intends to perform work in connection with the above projects as a:

Sole Proprietor       Corporation  
 Partnership       Joint Venture

The MBE/WBE status of the undersigned is confirmed by the attached letter of Certification from the City of Chicago effective date of JAN 18, 2005 to June 1, 2007 for a period of one year.

The undersigned is prepared to provide the following described services or supply the following described goods in connection with the above named project/contract:

Sale of Computer Supplies, Products and  
Hardware

The above described performance is offered for the following price and described terms of payment:

Per quote, to perform 4.5% of the actual contract value.  
where "actual contract value" equals the dollars paid by  
City to ACH over the entire term of the contract.

If more space is needed to fully describe the MBE/WBE firm's proposed scope of work and/or payment schedule, attach additional sheets.

The undersigned will enter into a formal written agreement for the above work with you as a Prime Contractor, conditioned upon your execution of a contract with the City of Chicago, and will do so within three (3) working days of receipt of a signed contract from the City of Chicago.

Barb Conti  
(Signature of Owner or Authorized Agent)

BARB CONTI / PRESIDENT  
Name/Title (Print)

9-26-06  
Date

847-382-0080  
Phone



City of Chicago  
Richard M. Daley, Mayor

Department of  
Procurement Services

Barbara A. Lumpkin  
Chief Procurement Officer

City Hall, Room 403  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4900  
(312) 744-2949 (TTY)  
<http://www.cityofchicago.org>

August 21, 2006

Barbara Conti, President  
**Computer Products & Supplies, Inc.**  
337 West Main Street  
Barrington, IL 60010

Dear Ms. Conti:

The City of Chicago Department of Procurement Services ("Department") has undertaken an evaluation of procurement policies and procedures including those utilized within the M/WBE and DBE certification unit. In light of this evaluation and in anticipation of streamlining our procedures, the Department extends your **WBE certification until June 1, 2007.**

The Department may request additional information from you prior to the expiration of the courtesy period. This information will assist us in making a determination on the recertification of your company. You will receive additional information from the Department in the coming days.

As you know, your firm's participation on contracts will be credited only toward **WBE** in the following specialty area(s):

**Sale of Computer Supplies, Products and Hardware**

If you have any questions, please contact our office at 312-742-0766.

Sincerely,

Lori Ann Lyson  
Deputy Procurement Officer

LAL/dm



THE BOARD OF COMMISSIONERS  
JOHN H. STROGER, JR.

PRESIDENT



COOK COUNTY  
OFFICE OF CONTRACT COMPLIANCE

BETTY HANCOCK PERRY  
CONTRACT COMPLIANCE ADMINISTRATOR

118 North Clark Street, Room 1020  
Chicago, Illinois 60602-1304  
TEL (312) 603-5502  
FAX (312) 603-4547

EARLEAN COLLINS	1st Dist.	PETER N. SILVESTRI	9th Dist.
BOBBIE L. STEELE	2nd Dist.	MIKE QUIGLEY	10th Dist.
JERRY BUTLER	3rd Dist.	JOHN P. DALEY	11th Dist.
JOHN H. STROGER, JR.	4th Dist.	FORREST CLAYPOOL	12th Dist.
DEBORAH SIMS	5th Dist.	LARRY SUFFREDIN	13th Dist.
JOAN P. MURPHY	6th Dist.	GREGG GOSLIN	14th Dist.
JOSEPH MARIO MORENO	7th Dist.	CARL R. HANSEN	15th Dist.
ROBERTO MALDONADO	8th Dist.	ANTHONY J. PERAJCA	16th Dist.
		ELIZABETH ANN DOODY GORMAN	17th Dist.

June 8, 2006

Ms. Barb Conti  
President  
Computer Products & Supplies International  
337 W. Main Street  
Barrington, Illinois 60010

Dear Ms. Conti:

We are in receipt of your Application to the County of Cook for Re-Certification as a Minority and Women Business Enterprise (MBE/WBE). This Application was made in the form of a Re-Certification Affidavit.

Computer Products & Supplies International, Inc. is hereby Re-Certified as an WBE(7) eligible to fulfill WBE(7) goals on County contracts. Your firm is Re-Certified as of June 8, 2006 for a period of one (1) year. It is your obligation to apply for Re-Certification no later than the end of the tenth (10<sup>th</sup>) month following the effective date of your Certification.

Your firm will be listed in the next edition of the Cook County Directory of Minority and Women Business Enterprises. Your area of specialty will be listed as:

**SALES OF COMPUTER HARDWARE, SUPPLIES AND PRODUCTS**

Your participation on County contracts will be credited toward WBE(7) goals only in your area of specialty. Credit for participation in other areas of specialty requires an expansion of your current Certification. Requests for expansion must be submitted to this office along with all documentation necessary to establish the firm's experience or ability to perform in the additional area of specialty.

It is the obligation of Computer Products & Supplies International, Inc. to notify the Office of Contract Compliance in writing within ten (10) business days, of any changes in ownership and/or control of the firm. The County reserves the right to commence action to De-Certify your firm if this notification is not made. Certification may also be revoked if your firm is found to be involved in bidding or contractual irregularities.

Sincerely,

Betty Hancock Perry  
Contract Compliance Administrator  
BHP/pp



Printed on Recycled Paper

Printed on Recycled Paper



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

**Verification Only**

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

Leslie Hendrix  
Vice President of Product Development  
713-319-0870

August 2, 2006



## Exhibits

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

## Appendices

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

# **Exhibit 1**

## **Scope of Services**

ACH Direct is pleased to propose the use of our proprietary Internet platform for the processing of City of Chicago payments.

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

### **Scope of Services**

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

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

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

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

- ATMVerify
- NCN
- ACH Conversion (POP, TEL, ARC, etc)
- Check Guarantee

### **ATMVerify**

ATMVerify is composed of two levels. Level 1 is an online real time inquiry to the account at the bank that presently covers a small percentage of US Banks, but that number is actively growing.

The routing and transit, account number and account status and payment amount are validated by the account holding financial institution.

ATMVerify - Level 2 is an online real time inquiry to a positive database that covers in excess of 50% of the checking accounts in the United States. The routing and transit, account number and account status as of open of business that day are validated. The balance in the account is not validated.

#### **NCN**

NCN is an online national positive and negative database that can be used to validate the routing and transit, account number and whether there is outstanding negative information or returned checks on the account.

#### **ACH Conversion**

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

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

#### **Check Guarantee**

ACH Direct offers a check guarantee program though we do not recommend that the City of Chicago buy guarantee services based on their low rate of return items and the high cost of a check guarantee program.

#### **Check Verification Volumes**

Annual Volume 5,244,801

Monthly Volume 437,066

Weekly Volume 100,861

Daily Volume 14,408

#### **Positive Database Size**

Presently, our positive database contains 275 million accounts.

#### **Negative Database Size**

Our negative database is comprised of 28 million accounts.

- 1b. ACH Direct supports check authorization by IVRU.
- 1c. ACH Direct can verify kiosk payments by check.
2. ACH Direct can provide and install check processing through a stand alone system. The modular nature of the ACH Direct system allows for future integration into the City system.

3a. ACH Direct can capture for each check:

- Dollar amount of check
- Date and Time paid
- Location Paid at
- Terminal/Workstation Paid at
- Verification Number

4a. ACH Direct can provide electronic check processing:

- 24 hours per day
- 7 days per week
- 5 second response time
- System downtime of less than .2% in any month

4b. ACH Direct will transmit all payment data for processed checks by phone payments electronically to the City.

4c. ACH Direct will transmit all payment data for processed checks at kiosks electronically to the City.

5. The standard reporting process provides maximum flexibility to our clients but can also be customized as needed to suit the City's needs. Our online browser-based reporting services provide the essential monitoring tools to allow management to monitor activity as it occurs.

5a. ACH Direct will provide monthly check payment transaction reports listing the check by phone and Kiosk check payments. This information can be pulled via our online reporting 24 hours per day, 7 days per week, by City personnel. Reports can be produced daily, monthly, quarterly, etc.

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

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

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

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

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

7. ACH Direct, Inc. will provide the City with 24 x 7 Customer Service support. After hours support is by pager, cell phone or special phone number.
8. ACH Direct, Inc. will provide the City with 24 x 7 system and equipment support. After hours support is by pager, cell phone or special phone number.
9. ACH Direct will provide software updates as needed.
10. ACH Direct will upgrade the City's check readers to support software upgrades.
11. ACH Direct will provide on site equipment training.
12. ACH Direct maintains a positive and negative database with real time system updates to support check processing.
13. Technical Support and Training
  - 13a. ACH Direct will provide training to the City users on operation of the new check readers as well as our software during initial implementation.
  - 13b. ACH Direct will provide training for additional users. Additionally, ACH Direct will provide equipment as needed for new users and have new users fully operational within 15 business days from the City's request.
  - 13c. ACH Direct will make best efforts to resolve reported problems within 24 hours.
14. ACH Direct will expand the system as needed to additional sites or City departments.

### **Compensation and Deposits**

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

**Service Standard Guarantees**

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

**Appendix A I – City Overview**

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

## **Exhibit 2 References**

References can be found in Appendix E.

## **Exhibit 3**

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

A. Organizational Chart - The organizational chart can be found in Appendix A.

B. Procedures for Transactions and Processing Functions

The process is basically the same regardless of whether the City is running an ACH conversion transaction, a guarantee transaction or a verification transaction. They log in to the system, go to the add transaction function, swipe the check, fill in the necessary information and receive a response code that tells them whether:

- They can accept the check
- They can convert the check to ACH
- A guarantee can be issued for the check
- Whether to deny the check and why.

C. Collection Reports

Sample reports can be found in Appendix B.

D. Intentionally Left Blank as per RFQ

E. End User Training

ACH Direct will provide end user training:

- At contract initiation and roll-out;
- As the City has personnel turnover; and,
- When the City expands payment capabilities.

There is no additional cost to the City for the training.

F. City Staffing and Equipment

The City must provide a PC for each of the 67 employees accepting check payments as per Attachment A. The City staff must participate in training to include software and equipment training, which would be done at the same time.

G. Ongoing Support Services

ACH Direct will provide ongoing training and support as needed. To report equipment or other issues, the City would call ACH Direct Customer Service at 469-675-9920 Option 2.



## Project Timeline

Revised Scope of Work Submitted	July 18, 2006
Approval	July 20, 2006
Signed Contract	September 1, 2006
Roll-out Complete	October 1, 2006*

\* Assumes contract signed by September 1, 2006.

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

**Assumption: The City's number of checks processed per month is 60,000.**

**What is the proposed rate for the City of Chicago given the transaction volume assumption above?**

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

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

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

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

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

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

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

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

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

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

**Equipment and Support**

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

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

<u>Model #22410003</u>	
Warranty Period	1 Year
Physical Size	6.19" long 4" wide 4.38" tall
Electrical Req	110
Facility Req	Space for unit
Telephone Req	Internet via PC
Temperature Req	76 degrees F
Other Req	None
Supplies Req	PC provided by City
Quantity Bid	67
QX	PC provided by the City with either an RS-232 port, an Ethernet port or a USB port
Volume to Reduce Price	N/A
	N/A

**Scenario I: Summary of Equipment Costs**

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

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

**Question**

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

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

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

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

**Exhibit 5**  
**MBE/WBE Commitment**

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

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



**Jeffrey T**  
President

**Scott Lewis**  
Executive Vice President, Sales

**Brad Christopher**  
Sales Rep, Reseller Accounts  
**Mark Lowenstein**  
Sales Manager  
**Delmont Johnson**  
Sales Rep I

**Deborah Matthews**  
Vice President, Marketing

**Jeff Gonzales**  
Marketing Assistant  
**Cindy Whittle**  
Marketing Assistant

**Charles Patrick III**  
Chief Technical Officer

**Dustin Lewis**  
Director, Network Operations  
**Larry Frazier**  
Information Technology Analyst

**Kristin Gilda**  
General Counsel

**Aaron Noel**  
Director, Web Development  
**Feng Xu**  
Web Software Developer  
**Tam Chau**  
Web Software Developer  
**Murali Bhattar**  
Web Software Developer  
**Raghuveer Dhone**  
Web Software Developer

**Chuck P**  
Contrac  
**Lisa B**  
Account  
**Franci M**  
Accounting

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



**Parameters Used**

Show Merchant Subtotals  
Merchant Ids:  
999998 only

# ORIGINATION Detail

January 3, 2006 to January 3, 2006

## Details for Tuesday January 3, 2006

**ANY COUNTY TAX COMM (999999)**

Received	Customer Name	Transaction Info	Entered By	Trans Type	Resp Code	Resp Description	Status	Amount
4:54 am	Ronald B	135G01020000		ACH DEBIT	A01	APPROVED	Funded	\$4,768.78
9:59 am	Phung T	031F02057000		CC SALE MAST	A01	APPROVED	settled	\$2,912.41
10:59 am	Melinda J	085C01029000		ACH DEBIT	A01	APPROVED	Funded	\$2,000.00
11:25 am	Southeastern Land	051G01019000		ACH DEBIT	A01	APPROVED	Funded	\$5,834.71
<b>Total for Merchant - ANY COUNTY TAX COMM (999999):</b>								<b>\$15,615.90</b>

	Checks		Credit Cards		Debit Cards		Total Amount
	Amount	Qty	Amount	Qty	Amount	Qty	
Sales (Debits)	\$12,703.49	3	\$2,912.41	1	\$0.00	0	\$15,615.90
Refunds (Credits)	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
<b>Net:</b>	<b>\$12,703.49</b>		<b>\$2,912.41</b>		<b>\$0.00</b>		<b>\$15,615.90</b>

**Parameters Used**

Show Merchant Subtotals  
Merchant IDs:  
999999 only

# ORIGINATION Detail

January 3, 2006 to January 3, 2006

## Overall Total for ANY COUNTY TAX COMM (999999)

	Checks		Credit Cards		Debit Cards		Total Amount
	Amount	Qty	Amount	Qty	Amount	Qty	
Sales (Debits)	\$12,703.49	3	\$2,912.41	1	\$0.00	0	\$15,615.90
Refunds (Credits)	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
<b>Net:</b>	<b>\$12,703.49</b>		<b>\$2,912.41</b>		<b>\$0.00</b>		<b>\$15,615.90</b>

**ORIGINATION SUMMARY**

January 3, 2006 to January 3, 2006

**ANY COUNTY TAX COMM (999999)**

Origination Date	EFTs	Credit Cards	Debit Cards	Total
Tuesday, January 3, 2006	\$12,704.39	\$2,999.78	\$0.00	\$15,704.17
<b>Grand Total</b>	<b>\$12,704.39</b>	<b>\$2,999.78</b>	<b>\$0.00</b>	<b>\$15,704.17</b>

	Checks		Credit Cards		Debit Cards		Total Amount
	Amount	Qty	Amount	Qty	Amount	Qty	
<b>Sales (Debits)</b>	\$12,704.39	3	\$2,999.78	1	\$0.00	0	<b>\$15,704.17</b>
<b>Refunds (Credits)</b>	\$0.00	0	\$0.00	0	\$0.00	0	<b>\$0.00</b>
<b>Net:</b>	<b>\$12,704.39</b>		<b>\$2,999.78</b>		<b>\$0.00</b>		<b>\$15,704.17</b>

# DEPOSIT Detail

January 3, 2006 to January 3, 2006

**Parameters Used**

Show Merchant Subtotals  
for Merchant IDs: 999999 only

## Details for Tuesday January 3, 2006

### Funded Credit Cards

#### ANY COUNTY TAX COMM (999999)

Orig Date	Customer Information	Entry / Item Description	Transaction Info	Entered By	Batch ID	Method	Credit	Debit	Tran Amount	Fund Amount
	Phung T		031F02057000		051	MAST	D		\$2,999.78	\$2,999.78
Total for Merchant - ANY COUNTY TAX COMM (999999):										\$2,999.78

Total Funded Credit Cards: \$2,999.78

### R03 - No Account

#### ANY COUNTY TAX COMM (999999)

Orig Date	Customer Information	Entry / Item Description	Transaction Info	Entered By	Batch ID	Method	Credit	Debit	Tran Amount	Fund Amount
12/28/2005	Gwyn Greg		120-01017001			EFT	D	Y	\$3,645.39	(\$3,645.39)
Total for Merchant - ANY COUNTY TAX COMM (999999):										\$3,645.39

Total R03 - No Account: (\$3,645.39)

### S01 - Funded First Attempt

#### ANY COUNTY TAX COMM (999999)

Orig Date	Customer Information	Entry / Item Description	Transaction Info	Entered By	Batch ID	Method	Credit	Debit	Tran Amount	Fund Amount
12/30/2005	William F		M28-02001000			EFT	D	N	\$1,225.59	\$1,225.59
12/30/2005	Randy Jackson		065G01029000			EFT	D	N	\$999.66	\$999.66
12/30/2005	Rick R		016A01079000			EFT	D	N	\$39.61	\$39.61
12/30/2005	Yolanda Fuller		063B01011000			EFT	D	N	\$3,725.20	\$3,725.20
12/30/2005	Rebecca Mitchell		H05A01044000			EFT	D	N	\$1,154.60	\$1,154.60
12/30/2005	Sony Leo		057B01047000			EFT	D	N	\$3,544.61	\$3,544.61
12/30/2005	Donald Drake		051G01015000			EFT	D	N	\$4,000.30	\$4,000.30
12/30/2005	Dawn C		145F01051000			EFT	D	N	\$650.30	\$650.30

# DEPOSIT Detail

January 3, 2006 to January 3, 2006

**Parameters Used**

Show Merchant Subtotals  
for Merchant ID: 999999 only

## Details for Tuesday January 3, 2006

S01 - Funded First Attempt

Total for Merchant - ANY COUNTY TAX COMM (999999): \$15,339.87 \$15,339.87

**Total S01 - Funded First Attempt: \$15,339.87**

### Totals for Tuesday, January 3, 2006

	eChecks	PF Rejects	MC/VISA	Amex	Discover	Other CC	Debit Cards	Total Funded
Debits (Sales):	\$15,339.87	(\$3,645.39)	\$2,999.78	\$0.00	\$0.00	\$0.00	\$0.00	\$14,694.26
Credits (Refunds):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net:	\$15,339.87	(\$3,645.39)	\$2,999.78	\$0.00	\$0.00	\$0.00	\$0.00	\$14,694.26

**Parameters Used**

Show Merchant Subtotals  
for Merchant IDs: 999999 only

# DEPOSIT Detail

January 3, 2006 to January 3, 2006

## Overall Summary

	eChecks	PF Rejects	MC/VISA	Amex	Discover	Other CC	Debit Cards	Total Funded
Debits (Sales):	\$15,339.87	(\$3,645.39)	\$2,999.78	\$0.00	\$0.00	\$0.00	\$0.00	\$14,694.26
Credits (Refunds):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net:	\$15,339.87	(\$3,645.39)	\$2,999.78	\$0.00	\$0.00	\$0.00	\$0.00	\$14,694.26

# DEPOSITS SUMMARY

January 3, 2006 to January 3, 2006

Parameters Used

Merchant IDs: 999999 only

## Overall Summary

Date	eChecks	MC/VISA	Amex	Discover	Other CC	Debit Card	Total Funded
January 3, 2006	\$11,694.48	\$2,999.78	\$0.00	\$0.00	\$0.00	\$0.00	\$14,694.26
No Sales, Refunds, Debits or Credits Found							
<b>Grand Total</b>	<b>\$11,694.48</b>	<b>\$2,999.78</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$14,694.26</b>

	eChecks	MC/VISA	Amex	Discover	Other CC	Debit Cards	Total Funded
<b>Debits (Sales):</b>	\$11,694.48	\$2,999.78	\$0.00	\$0.00	\$0.00	\$0.00	\$14,694.26
<b>Credits (Refunds):</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Net:</b>	<b>\$11,694.48</b>	<b>\$2,999.78</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$14,694.26</b>

**Parameters Used**  
 Show Merchant Subtotals  
 for Merchant IDs: 999999 only

# Convenience Fee Report

January 3, 2006 to January 3, 2006

## Details for Tuesday January 3, 2006

### Funded Credit Cards

ANY COUNTY TAX COMM (999999)		Transaction Info		Entered By	Batch ID	Method	Debit	Trans Amount	Conv Fee	Amount	Fund Amount
Orig Date	Customer Information	031F02057000		051	MAST	D				w/Fees	
Phung T								\$2,912.41	\$87.37	\$2,999.78	\$2,912.41
<b>Total for Merchant - ANY COUNTY TAX COMM (999999):</b>								\$2,912.41	\$87.37	\$2,999.78	\$2,912.41

**Total Funded Credit Cards: \$2,912.41**

### R03 - No Account

ANY COUNTY TAX COMM (999999)		Transaction Info		Entered By	Batch ID	Method	Debit	Trans Amount	Conv Fee	Amount	Fund Amount
Orig Date	Customer Information	120-01017001			EFT	D				w/Fees	
Gwyn Greg								\$3,645.09	\$0.30	\$3,645.39	(\$3,645.09)
<b>Total for Merchant - ANY COUNTY TAX COMM (999999):</b>								(\$3,645.09)	\$0.30	\$3,645.39	(\$3,645.09)

**Total R03 - No Account: (\$3,645.09)**

### S01 - Funded First Attempt

ANY COUNTY TAX COMM (999999)		Transaction Info		Entered By	Batch ID	Method	Debit	Trans Amount	Conv Fee	Amount	Fund Amount
Orig Date	Customer Information	M26-02001000			EFT	D				w/Fees	
William F								\$1,225.29	\$0.30	\$1,225.59	\$1,225.29
Randy Jackson		065G01029000			EFT	D		\$999.36	\$0.30	\$999.66	\$999.36
Rick R		016A01079000			EFT	D		\$39.31	\$0.30	\$39.61	\$39.31
Yolanda Fuller		063B01011000			EFT	D		\$3,724.90	\$0.30	\$3,725.20	\$3,724.90
Rebecca Mitchell		H05A01044000			EFT	D		\$1,154.30	\$0.30	\$1,154.60	\$1,154.30
Sony Leo		057B01047000			EFT	D		\$3,544.31	\$0.30	\$3,544.61	\$3,544.31
Donald Drake		051G01015000			EFT	D		\$4,000.00	\$0.30	\$4,000.30	\$4,000.00
Dawn C		145F01051000			EFT	D		\$650.00	\$0.30	\$650.30	\$650.00



# Convenience Fee Report

January 3, 2006 to January 3, 2006

**Parameters Used**

Show Merchant Subtotals  
for Merchant IDs: 999999 only

## Details for Tuesday January 3, 2006

### S01 - Funded First Attempt

Total for Merchant - ANY COUNTY TAX COMM (999999): \$15,337.47 \$2.40 \$15,339.87 \$15,337.47

**Total S01 - Funded First Attempt: \$15,337.47**

### Totals for Tuesday, January 3, 2006

	eChecks	MC/VISA	Amex	Discover	Other CC	Debit Cards	Conv Fee	Amount w/Fees	Total Funded
Debits (Sales):	\$11,692.38	\$2,912.41	\$0.00	\$0.00	\$0.00	\$0.00	\$89.77	\$18,339.65	\$14,604.79
Credits (Refunds):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Net:</b>	<b>\$11,692.38</b>	<b>\$2,912.41</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$89.77</b>	<b>\$18,339.65</b>	<b>\$14,604.79</b>

**Parameters Used**  
 Show Merchant Subtotals  
 for Merchant IDs: 988688 only

# Convenience Fee Report

January 3, 2006 to January 3, 2006

## Overall Summary

	eChecks	MC/VISA	Amex	Discover	Other CC	Debit Cards	Conv Fee	Amount w/Fees	Total Funded
Debits (Sales):	\$11,692.38	\$2,912.41	\$0.00	\$0.00	\$0.00	\$0.00	\$89.77	\$18,339.65	\$14,604.79
Credits (Refunds):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Net:</b>	<b>\$11,692.38</b>	<b>\$2,912.41</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$14,604.79</b>

**Return Item Detail**

January 3, 2006 to January 3, 2006

**Details for Tuesday January 3, 2006****R03 - No Account****ANY COUNTY TAX COMM (999999)**

Customer Information	Entry / Item Description	Transaction Info	Method	Debit Credit	Tran Amount	Fund Amount
Gwyn Greg (120-01017001)			EFT	D	\$3,645.39	(\$3,645.39)
<b>Total for Merchant - ANY COUNTY TAX COMM (999999):</b>						<b>(\$3,645.39)</b>

**Total R03 - No Account: (\$3,645.39)****Totals for Tuesday, January 3, 2006**

Type	Quantity	Amount	Funded Amount	% of Rejects	Description
R01	0	\$0.00	\$0.00	0.00%	R01 - Insufficient Funds
R02	0	\$0.00	\$0.00	0.00%	R02 - Account Closed
R03	1	\$3,645.39	(\$3,645.39)	100.00%	R03 - No Account
R04	0	\$0.00	\$0.00	0.00%	R04 - Invalid Account Number
R07	0	\$0.00	\$0.00	0.00%	R07 - Auth Revoked
R08	0	\$0.00	\$0.00	0.00%	R08 - Payment Stopped
R09	0	\$0.00	\$0.00	0.00%	R09 - Uncollected Funds
R10	0	\$0.00	\$0.00	0.00%	R10 - Customer not Authorized
R24	0	\$0.00	\$0.00	0.00%	R24 - Duplicate Entry
R29	0	\$0.00	\$0.00	0.00%	R29 - Corporate Not Authorized
R*	0	\$0.00	\$0.00	0.00%	Other
<b>Totals</b>	<b>1</b>	<b>\$3,645.39</b>	<b>(\$3,645.39)</b>		

**Return Item Detail**

January 3, 2006 to January 3, 2006

**Overall Summary**

Type	Quantity	Amount	Funded Amount	% of Rejects	Description
R01	0	\$0.00	\$0.00	0.00%	R01 - Insufficient Funds
R02	0	\$0.00	\$0.00	0.00%	R02 - Account Closed
R03	1	\$3,645.39	(\$3,645.39)	100.00%	R03 - No Account
R04	0	\$0.00	\$0.00	0.00%	R04 - Invalid Account Number
R07	0	\$0.00	\$0.00	0.00%	R07 - Auth Revoked
R08	0	\$0.00	\$0.00	0.00%	R08 - Payment Stopped
R09	0	\$0.00	\$0.00	0.00%	R09 - Uncollected Funds
R10	0	\$0.00	\$0.00	0.00%	R10 - Customer not Authorized
R24	0	\$0.00	\$0.00	0.00%	R24 - Duplicate Entry
R29	0	\$0.00	\$0.00	0.00%	R29 - Corporate Not Authorized
R *	0	\$0.00	\$0.00	0.00%	Other
<b>Totals</b>	<b>1</b>	<b>\$3,645.39</b>	<b>(\$3,645.39)</b>		



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

**ACH Direct, Inc**

35-325 Date Palm Drive, #239  
Cathedral City, CA 92234  
Phone (760) 202-1600

**Invoice**

Date	Invoice #
11/30/2004	1537

Bill To

CITY OF CHICAGO

ACH DIRECT, INC.  
Fed Tax ID 33-0903620

P.O. No.	Terms	Project

Description	Qty	Rate	Amount
MONTHLY ACCESS FEE	6	5.00	30.00
ORIGINATED ELECTRONIC TRANSACTIONS	60,000	0.10	6,000.00
ATMVERIFY TRANSACTIONS	30,000	0.30	9,000.00
NCN	30,000	0.10	3,000.00

Billing Questions? [chuck.phipps @ achdirect.com](mailto:chuck.phipps@achdirect.com)

<b>Subtotal</b>	\$18,030.00
<b>Sales Tax (0.0%)</b>	\$0.00
<b>Total</b>	\$18,030.00
<b>Payments/Credits</b>	\$0.00
<b>Balance Due</b>	\$18,030.00

**Appendix D**  
**Historical Expense Calculations**  
**2005**

Historical Check Volume	568998
\$ Amount	\$1,196,898,863
Number Returned	4816
Amount Returned	\$3,052,199
Number Returns Paid	1,401 *
Amount Returns Paid	\$769,788
Amount Outstanding	\$2,282,411.23
Electronification	\$56,899.80
Rejected Item Fee	<u>\$11,379.96</u>
Total Electronification	\$68,279.76
Verification	
-ATMVerify	\$85,349.70
-NCN	<u>\$28,449.90</u>
Total Verification	\$113,799.60
Return items	(\$4,903.50)
<b>Total for all Services</b>	<b>\$177,175.86</b>
Equipment Annualized	<b>8,933.33</b>

**Assumptions:**

Volumes provided by City are correct  
 Rejected Item Rate is 1%  
 City uses all recommended services:  
 ATMVerify, NCN, ACH conversion,  
 Return Item processing  
 Half of all verification trans ATMVerify  
 Half of all verification trans NCN  
 Transactions over \$1,000 are verification only  
 \* 2005 number NSF checks collected is an estimate



## **Appendix E**

### **References**

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

Additional references available upon request.