FOR PUBLIC INSPECTION

PayIt, LLC

1812 Broadway Boulevard
Kansas City, MO 64108

Response to RFI No.: ETS.FY18.RFI.001
State of Hawai'i
RFI for Internet Portal Manager
and Service Provider

Submitted via Email To:
Derek Ichiyama, State Portal Program Manager
Office of Enterprise Technology Services
1155 Punchbowl Street, Room B20
Honolulu, HI 96813
derek.t.ichiyama@hawaii.gov

Response Date: August 9, 2017

Table of Contents

Transmittal Letter

August 9, 2017

Mr. Derek Ichiyama
State Portal Program Manager
Office of Enterprise Technology Services
derek.t.ichiyama@hawaii.gov

Dear Mr. Ichiyama,

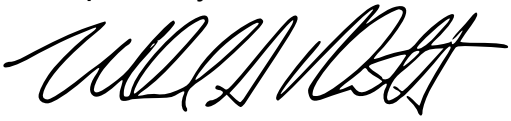
PayIt, LLC is pleased to respond to the State of Hawai'i (State), Office of Enterprise Technology Services (ETS) for the RFI for Internet Portal Manager and Service Provider.

Our core business is to deliver the PayIt Platform, a purpose-built, market-proven, modern government transaction platform. We've built the platform using best practices and the latest technology to deliver extraordinary citizen-facing web and native mobile applications. We typically deliver solutions to our government partners free of charge, utilizing transaction-based fees to support the platform in a way that is budget neutral to our partners.

PayIt is perfectly positioned to deliver the requirements and benefits articulated in the RFI. We would welcome the opportunity to speak with you in more detail, demonstrate our solutions, and discuss options for working with the State and ETS to modernize the citizen's experience in conducting business with state and local government agencies in Hawai'i.

In the next few sections of this response, we provide an overview of our company, our recommended approach, and responses to the RFI questions.

Respectfully submitted,



Michael S. Plunkett
Co-Founder & COO/CFO
PayIt, LLC

Company Overview

Government Focused. PayIt is exclusively focused in the government sector and was founded with a simple mission; to simplify government transactions for customers and our government partners. We deliver on our mission of simplifying government by delivering our industry-leading government transaction platform to enable a more modern, personalized experience for the customer with the latest, mobile-first, cloud-based, fully secure technology solution for our government partners.

Strong Team and Partners. PayIt is a venture-backed enterprise with strong partnerships and financial backing from industry and business leaders with deep expertise in technology, government, and payment transaction processing.

The PayIt team brings significant experience as technology and service professionals delivering cloud-based, enterprise-class platforms to Fortune 500 companies in heavily regulated industries. We are experienced in managing the development, deployment, and maintenance of complex systems using a wide variety of technologies, and managing professional services with a number of states and local government agencies.

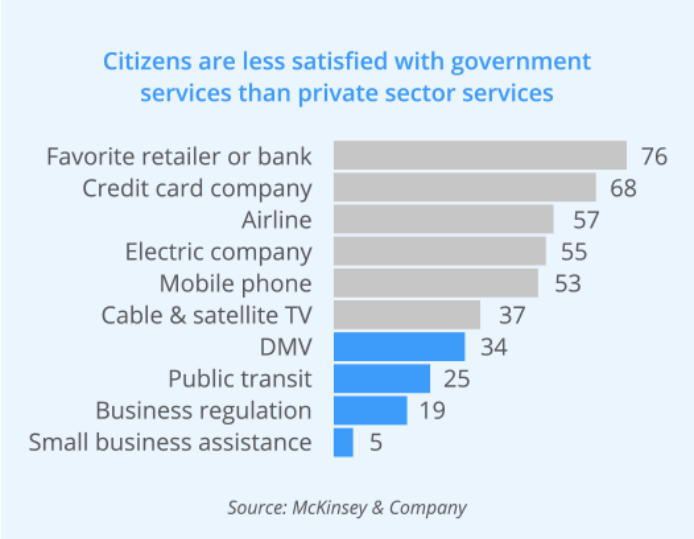
Award-Winning Approach. Our approach to this market has earned us a variety of national recognitions, including:

- First Place, US Conference of Mayors, AWS
- Third Place Overall, South by Southwest United States Conference of Mayors pitch contest sponsored by Code for America and Amazon Web Services
- GovTech Top 100**,** GovTech Magazine List for 2017
- Finalist, “Rise of the Rest,” a nationwide competition for high-growth companies and entrepreneurs in local startup ecosystems.
- Finalist, Amazon Web Services, “City on a Cloud” Partner in Innovation competition

Recommended Approach

Utilize a Best Practices Approach

PayIt's assessment of best practices in delivering, deploying, operating, and maintaining enterprise mobile and web applications is based primarily on the most successful deployment of consumer applications **in the private sector**. This is because citizens are far more satisfied with the modern mobile and web applications offered in sectors such as e-commerce, retail, and banking than they are with current government offerings.



Therefore, **we do not think it is advisable to use current government offerings as a primary benchmark when evaluating best practices**. On the contrary, we believe the State should look to sectors and offerings that deliver high rates of satisfaction to citizens and higher digital adoption rates.

In developing our best practices-driven enterprise government platform, we have leveraged our significant experience in delivering modern technology to some of the top brands in the world.

Our work developing and delivering modern, mobile-first technologies with our government partners across the country has reinforced our conviction of the best practices to deliver modern simplicity and value to both citizens and government.

WHAT WE DO

- ↑ Digital Adoption
- ↑ Savings
- ↑ Customer Satisfaction
- ↓ Friction

HOW WE DO IT

- Platform
- Services
- Engines
- Ongoing R&D
- Wallets & Chatbots

Best Practices for Enterprise Mobile and Web Applications

PayIt's assessment of the characteristics of best practices for enterprise mobile and web applications within a follows. We believe **all of these characteristics** should be present in the State's strategy for a Digital Government Platform:

Citizen-Focused Experience

- *Rollout of services should be prioritized on interactions that are most meaningful to citizens*
- *All solutions delivered to citizens in one application vs. multiple, disparate applications*
- *Use of native mobile apps vs. mobile web site*
- *Personalized and profile-driven*
- *Modern & simple user experience*
- *Multiple payment options available to citizen, where applicable*

No/Low Cost to Government

- *Self-funded or low-cost, SaaS-based pricing*
- *Opportunity to generate new revenue for the State*
- *No ongoing hardware, licensing, or maintenance costs*

Rapid & Low-Risk Implementation

- *Rapid, flexible deployment process*
- *Not dependent on modernizing legacy systems (integrated into existing back-end systems)*
- *Easily migrated to new systems as they are modernized/updated.*

Provides Efficiency & Cost Savings

- *Drives costs savings to State and Agencies with reduction of manual processes and increased accuracy and efficiency*
- *Generates increased compliance from citizens*

Extensible to Other Services & Agencies

- *Uses the same enterprise platform to deliver solutions for other agencies and other jurisdictions (e.g. State, County, City)*
- *Ability to add all additional solutions in same application for the citizen*

Robust Security

- *Secure integration with State and Agency systems*
- *Secure management of data, including fully protected PII*
- *Fully PCI compliant payment processing*

Modern Technology with No Obsolescence

- *Use of modern, secure, and flexible core technology*
- *Cloud-based deployment, with no need for hardware or maintenance*
- *Offered in a SaaS-based model, with full vendor management and support*
- *Technology stays modern with ongoing improvement and innovation incorporated, and without the need for future investment in licenses, patches, etc.*

Targeted User Adoption Strategy

- *Vendor-driven user adoption strategy*
- *Modern, multichannel marketing campaigns targeted at users of solutions*

Ongoing Analysis & Improvement

- *Incorporates integrated analysis of app usage, transactions, user feedback, and user adoption campaign effectiveness.*
- *Utilizes analysis to develop data-driven recommendations that drive ongoing improvement in solutions and user adoption.*

In summary, a best practices solution for a Digital Government Platform is is one that delivers a product and working solutions for the citizen and the State that is vendor-managed and delivers ongoing innovation and extensibility. It is NOT custom developed software or a set of tools or a platform that requires the State or hired developers to build and maintain custom solutions. This is because the rate of change in technology, and therefore in solutions that customers demand, is too rapid for this approach to be sustainable.

Functional Requirements: Digital Government Platform

Enterprise mobile and web applications should be build on a purpose-built (i.e. focused exclusively on government), enterprise platform; a Digital Government Platform. The platform should have a workflow engine that enables services to be modified quickly and easily. More importantly, the vendor should offer ongoing customer service and support that will continuously work to identify and implement enhancements in the web and mobile applications without additional cost to the State.

The platform should be hosted in a secure, scalable cloud environment (e.g. Amazon Web Services (AWS) GovCloud, which provides a highly secure, scalable, and reliable environment for government data and applications). Significant components of the platform should include:

- **Business Process Management**. A BPM and rules engine that offers rapid launch with required customization of business rules, regulations, and personalizations.
- **Payment Processing**. PCI Level 1 compliant payment processing. Accepts credit cards, debit cards, ACH, e-checks, PayPal, etc.
- **Data Warehouse and Analytics**. Enterprise data warehouse and analytics engine supports analytics and reporting to State agencies and end user customers.
- **Integrations**. Integration / API layer supports highly secure integration to existing State systems.

Robust Security

The enterprise mobile platform should incorporate robust security measures that ensure the confidentiality and integrity of all data and transactions. Some of these security measures include:

- Ensure the system is fully PCI compliant. Mobile apps should not store transaction data on the local device. All transaction data should be stored securely on the server, and fully encrypted while in flight.
- Integration components that interact directly with government information systems should reside behind the firewall and utilize a secure protocol (HTTP over SSL) when exchanging data.
- The platform should not allow direct SQL queries. All API's should utilize a domain protocol that prevents malicious query attacks.
- Utilize industry standard cryptography algorithms. Keys should not be hardcoded, but stored in a separate, secured database.
- The mobile application itself should be secured from access by other applications on the mobile device.
- A comprehensive testing program should be deployed by the vendor.

Business Model / Recommended Approach

Based on the experiences that citizens demand, the needs of government agencies and best practices in deploying enterprise web and mobile applications, our recommended approach is as follows:

- Provide a government-focused transaction platform that provides a cutting-edge solution to transform the customer experience on behalf of government agencies that desire to make it easier for customers to do business with them.

- Deliver mobile applications that provide a secure, consumer-focused mobile experience that offers conveniences that today's consumer expects: one not achieved by simply creating a "mobile-enabled website". And to be clear, there is a massive difference between building custom "apps" and our approach, building an enterprise class mobile platform to process transactions.

- Integrate with the State's existing back-end system(s) and build the integration into the platform to create mobile transaction solutions for the State its users and customers. Typically, this should be done at the vendor's expense on a transaction fee basis.

- The benefits of this approach to the State and its agencies are significant, including:
  - **No Cost & Revenue Generating**. Solution are delivered at significantly lower cost than the alternatives; a solution that is *no-cost* AND potentially *revenue-generating* to the State and its agencies.
  - **No Cost Overrun Risk**. There is no cost overrun risk as there would be with custom development or customization of a COTS solution.
  - **No Hardware or Ongoing Maintenance.** The vendor would handle the setup and all ongoing costs (hosting, maintenance, support, and innovation) of the platform.
  - **No Obsolescence**. All users of the platform would benefit from ongoing R&D and will always use the latest software and hardware technologies. This eliminates the need to consider fixing, patching, replacing the platform in the future due to obsolescence.
  - **Flexibility**. The platform should be scalable and flexible to grow and add features and new services.
  - **Security**. The platform should be highly secure with full disaster recovery with multi-site availability and fast recovery times.
  - **Low-Risk Implementation.** The platform should be implemented in phases, with initial customer-facing services launched within 90 days. This delivers value early in the process and significantly reduces implementation risk.
  - **No App Publishing Administration**. The vendor should handle all App Store and Google Play publishing and ongoing management requirements

Responses to RFI Questions

a) From your past experience, has the State identified all the major components necessary to pursue an RFP for a new Internet portal provider? If not, please provide information on other necessary components.

Yes, we feel all major components are identified. In addition to the recommended approach we have articulated and the suggestions offered in this section, please see comments below in h) re: focus and perspective.

b) Are there potential problems and risks that the State may encounter during this project?

We would strongly suggest the State require a real, proven platform as the basis for its modern digital government approach. The platform should include the components described in our "Recommended Approach" section in this response.

The platform should support multiple clients and be clearly demonstrated not the be custom solutions build for specific services/clients that are not portable.

c) Based on your review of the requirements described, can you describe the strengths, weaknesses, opportunities and threats associated with a solution(s) you suggest?

Our solution is purpose-built to deliver exactly the requirements described in the RFI, and includes all of the elements articulated in the "Recommended Approach" section.

There are many strengths and benefits to our solution, many of them articulated in the sections above. They include a fully managed solution and a partner focused on and increasing digital transactions between government and the citizens they serve; and incentivized to do just that.

d) Can you provide a preliminary plan and timeline on how the existing services could be migrated to a new vendor without interrupting services?

As part of our standard processes in working with government partners, PayIt would coordinate and organize the entire program management, including overall strategic and tactical plants, individual project planning and project management, and ongoing real-time dashboards, and KPI's and reports (including ROI calculations and performance versus targets). PayIt can easily fit this management approach in the the PMIS as articulated in the RFI.

e) Can you provide any ideas or suggestions about how such problems and risks should be addressed in an RFP for Internet portal services?

We would offer these general suggestions:

1. Clearly articulate the characteristics, and benefits of the solutions and partnership the State desires as a result of the RFP.
2. Request that the proposed solutions exist and have been deployed in-market (e.g. the State would not want a partner that was building a platform, but a partner that had an existing platform).
3. Request specific examples of how both State and Local solutions have been deployed in market, using the same common platform.
4. Leave flexibility in the RFP for the State to select the best solution, and attempt to avoid a detailed prescription of the solution (e.g. specific technical architecture, hardware, etc.).
5. Be open to a fully hosted and managed modern Software-as-a-Service (SaaS) offering.
6. Request a description of how the vendor partner would facilitate user adoption of digital services.
7. Do not separate the payment processing provider from the primary provider of services (see comments below in g)).

f) In order to determine the feasibility of developing a new Internet portal solution, can you provide a "ball park" cost estimate associated with the proposed solution(s) identified in your response, including start-up costs, implementation costs, maintenance, etc.? The information will be used for planning purposes only and should not be construed as part of any future RFP solicitation.

g) As an alternative to using or relying on just one vendor for the solution, are there possible solutions using a combination of vendors, where the State would interface with a main vendor and the others would be subcontractors or independent contractors? If so, please describe.

h) Do you have any additional comments/information that you feel would be beneficial to the State in deciding on a solution for the services outlined in this RFI?

PayIt Contacts

Contacts for this RFI / Follow-Up

John Thomson
Title: Founder & CEO
Email: john@payitgov.com
Phone: 913-486-2217

Mike Plunkett
Title: Co-Founder & COO/CFO
Email: mike@payitgov.com
Phone: 913-314-3825