

HAWAII INFORMATION CONSORTIUM

AMENDMENT 1
STATEMENT OF WORK

DEPARTMENT OF BUSINESS, ECONOMIC
DEVELOPMENT AND TOURISM
FOREIGN TRADE ZONE NO. 9

BILL PRESENTMENT & PAYMENT PROCESSING

HAWAII INFORMATION CONSORTIUM

PURPOSE STATEMENT

This is an amendment to the Statement of Work (SOW) document entitled Bill Presentment & Payment Processing dated on January 27, 2015 and signed by the Department of Business, Economic Development and Tourism (DBEDT) (“PARTNER”) and the Hawaii Information Consortium, LLC (HIC).

This document replaces the entirety of the *Portal Administration Fee, Transaction Fee, or No Fee* section of the SOW listed above.

This Amendment is to modify the language to pass the fees on to the end user.

The \$5,000 max credit card payment limit placed in the original SOW was to ensure the partner would not pay a credit card fee above a certain threshold (\$5,000 * 2.25%). The \$5,000 credit card payment limit was removed in the Amendment as the fees are no longer being absorbed by the partner. The end user does have the option to pay with eCheck as an alternative.

This Amendment also updates the section from a twice-a-month remittance to the PARTNER via ACH or paper check, to a daily disbursement with a 3-day lag, to allow funds to clear, via ACH only.

PORTAL ADMINISTRATION FEE, TRANSACTION FEE, OR NO FEE

Language from original SOW:

The FTZ shall absorb any or all of the HIC fees. In doing so, the amount shall be deducted from the gross amount collected online before the net amount is remitted to the FTZ twice a month via ACH or paper check. The FTZ shall accept both credit cards and eChecks as methods of payments for this application. Fees and methods of payment can be changed at any time subject to mutual agreement.

For transactions completed online, there shall be a Portal Administration Fee. The fee schedule is presented below. The proposed fee covers the costs associated with bill presentment, transaction processing, and the building, maintaining, and hosting of the application.

1. For credit cards - \$2.50 plus a transaction-processing fee of 2.25% for each credit card payment with a payment limit of \$5,000.00.
2. For eChecks - \$2.50 plus a \$1.00 eCheck processing fee for each eCheck payment.
3. Any costs incurred by HIC associated with unsuccessful contest of a charge-back, cancelled or insufficient payments shall be invoiced to the FTZ.

Credit Card Chargebacks

HIC shall make an initial effort to collect on all returned payments, credit card chargebacks, etc. HIC’s customer service staff shall endeavor to satisfy merchant bank requests. In the event that HIC is unable to successfully contest a credit card chargeback, HIC shall invoice FTZ the original amount remitted to FTZ plus credit card company’s charge-back fee of up to 2% of that amount.

ACH Returns (consolidated ACH via HIC only):

Because the national ACH network does not support real-time account verification, some eCheck (ACH) transactions will be returned due to insufficient funds or because the bank account information was entered incorrectly by the customer.

HIC shall attempt to make initial collections on returned payments. HIC may charge the customer a \$25 return payment fee. If HIC is unable to collect the funds within 7 business days, HIC shall invoice FTZ the original amount remitted to FTZ and the \$25 fee return payment fee.

New SOW Amendment language:

The FTZ shall accept both credit cards and eChecks as methods of payments for this application.

For transactions completed online, there shall be a Transaction Fee. The Transaction Fee will be an add-on fee for each transaction, and therefore will be paid by end users. The fee schedule is presented below. The Transaction Fee covers the costs associated with bill presentment (obtaining billing/invoicing information from the PARTNER and presenting the information online to the end user), transaction processing, and the building (developing an online application that will allow the user to view an online version of their bill, and make payment online), maintaining, and hosting of the application.

- 1. For credit cards - \$2.50 plus a transaction-processing fee of 2.25% for each credit card payment.**
- 2. For eChecks - \$2.50 plus a \$1.00 eCheck processing fee for each eCheck payment.**
- 3. Any costs incurred by HIC associated with unsuccessful contest of a charge-back, cancelled or insufficient payments shall be invoiced to the FTZ.**

The Transaction Fee shall be deducted from the gross amount collected online before the net amount is remitted to PARTNER on a daily basis with a 3-business day lag via Automated Clearing House (ACH). The frequency and method of remittance can be modified upon mutual agreement and signed agreement between HIC and PARTNER.

Examples:

Credit Card Transaction

FTZ Fee = \$1,000

Transaction Fee = \$2.50 + (\$2.50 + FTZ Fee)*2.25%

Transaction Fee = \$2.50 + (\$2.50 + \$1,000)*2.25%

Transaction Fee = \$2.50 + \$22.56

Transaction Fee = \$25.06

Gross Amt = FTZ Fee + Transaction Fee

Gross Amt = \$1,000 + \$25.06

Gross Amt = \$1,025.06

Net Amt Remitted = Gross Amt - Transaction Fee

Net Amt Remitted = \$1,025.06 - \$25.06

Net Amt Remitted = \$1000.00

eCheck transaction.

FTZ Fee = \$1,000

Transaction Fee = \$2.50 + \$1.00

Transaction Fee = \$3.50

Gross Amt = FTZ Fee + Transaction Fee

Gross Amt = \$1,000 + \$3.50

Gross Amt = \$1,003.50

Net Amt Remitted = Gross Amt - Transaction Fee

Net Amt Remitted = \$1,003.50 - \$3.50

Net Amt Remitted = \$1000.00

Credit Card Chargebacks

HIC shall make an initial effort to collect on all returned payments, credit card chargebacks, etc. HIC's customer service staff shall endeavor to satisfy merchant bank requests. In the event that HIC is unable to successfully contest a credit card chargeback, HIC shall invoice FTZ the original amount remitted to FTZ plus credit card company's charge-back fee of up to 2% of that amount.

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STAKEHOLDERS

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CHAIN OF COMMAND

DBEDT FTZ 9

David Sikkink, Administrator

Tsurumi Hamasu, Business Manager

Hawaii Information Consortium, LLC

Burt Ramos, General Manager

Janet Pick, Director of Portal Operations

Zheng Fang, Director of Development

Carrie Miyasato, Partner Liaison

SIGN OFF

I, the undersigned, have the authority to make binding decisions and have the authority to sign on behalf of my respective agency/department regarding projects in collaboration with HIC.

Date: Feb 16, 2018

Feb 14, 2018

David Sikkink

Burt Ramos

David Sikkink
FTZ 9 Administrator
DBEDT

Burt Ramos
General Manager
Hawaii Information Consortium, LLC

Feb 21, 2018

Todd Nacapuy

Todd Nacapuy
Chief Information Officer
Enterprise Technology Services