

# **TexasOnline 2.0 Master Agreement**

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Between

**The State of Texas, acting by and through  
the Texas Department of Information Resources**

*and*

**Texas NICUSA, LLC**

## **Exhibit K Payment System**

July 31, 2009

## Exhibit K Payment System

Contents of *Exhibit K Payment System* follow:

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### Article I. Introduction

The purpose of *Exhibit K Payment System* is to comprehensively address the agreed-upon payment system for TexasOnline 2.0.

### Article II. Contractual Principles

*Exhibit K Payment System* addresses the following contractual principles:

#### **Section 2.01 Architecture**

- (a) The payment engine architecture must support the extensible architecture described in *Attachment K-1 Payment System*.

#### **Section 2.02 Consolidated Solution**

- (a) The payment processing engine must be a consolidated solution to support additional payment channels, such as interactive voice response (IVR) and over-the-counter.
- (b) The payment engine must support all current interfaces, processes, and procedures, including all electronic activity between TexasOnline 2.0 and:
  - (i) Electronic check (ACH),
  - (ii) Credit card processing,
  - (iii) Comptroller of Public Accounts,
  - (iv) Participating Customers, and
  - (v) Existing applications.
- (c) The online payment process must support the following payment types:
  - (i) Visa credit,
  - (ii) MasterCard credit,
  - (iii) American Express credit,
  - (iv) Discover credit,

- (v) Debit cards (pinless),
- (vi) Electronic check (ACH),
- (d) The Vendor will be responsible for:
  - (i) Additional payment channels, such as IVR and over-the-counter,
  - (ii) Daily file transfers,
  - (iii) Ongoing maintenance,
  - (iv) Reporting financial and transaction details,
  - (v) Negotiating a credit card processing rate that is market competitive,
  - (vi) Development support for current and future Customers,
  - (vii) Flexibility to add additional payment types,
  - (viii) Online system interfaces for Customer support, and
  - (ix) Refund, exception, and chargeback processing capabilities.
- (e) In *Attachment K-1 Payment System*, the Vendor includes:
  - (i) A description of the online payment engine proposed,
  - (ii) A transition plan and timeline from current payment engine to Vendor solution,
  - (iii) An architecture based on State principles,
  - (iv) Policies and procedures for implementation,
  - (v) A description of the business model approach.
- (f) Financial details of the financial processing system are included in *Exhibit C Financial Model*.
- (g) A high-level timeline for conversion from ePay to TPE is included in *Attachment K-1 Payment System*. Vendor will transition all ePay Customers to TPE no later than December 31, 2011.

## **Article III. Methodology for Updating Associated Exhibit Attachments and Plans**

### **Section 3.01 Recommendations**

- (a) Either DIR or Vendor may submit to the other Party a recommendation for changes or additions to *Attachment K-1 Payment System*. Such recommendation will be in writing and will (i) specifically identify the portion or portions of *Attachment K-1 Payment System* to be changed (ii) include the specific language to accomplish the proposed change, and (iii) identify the reasons for the proposal and anticipated improvements from the change or repercussions for failure to adopt the change. A copy of the recommendation will be provided to DIR and the Vendor.

### **Section 3.02 Review and Input**

- (a) DIR will determine whether input on the recommendation from any other governance body and/or Customer is appropriate, and will promptly circulate the recommendation to those identified. If DIR does request input from any other governance body and/or Customer, DIR will require any input to be provided in writing and submitted within a specified period of time, not to exceed 60 days from the date of the recommendation.
- (b) DIR and Vendor will each receive a copy of the written input from the other governance bodies and/or Customers, if applicable. The Party making the recommendation may propose adjustments to the recommendation to address any input of the other governance bodies and/or Customers.

### **Section 3.03 Approval**

- (a) If DIR and Vendor agree upon the recommendation, the Parties will execute a revision to *Attachment K-1 Payment System*, as applicable, which will be effective when signed by authorized representatives of both DIR and Vendor and the revised *Attachment K-1 Payment System* will be posted in a location agreed to by Vendor and DIR.

### **Section 3.04 Appeal**

- (a) If the DIR and Vendor cannot agree on a recommendation, the recommendation may be submitted to the Executive Steering Committee for resolution.

## **Article IV. Documents Referenced in Exhibit K Payment System**

### **Section 4.01 Attachments to Exhibit K**

- (a) The following attachments are incorporated as part of *Exhibit K Payment System*:

**Table 1: Exhibit K Payment System Attachments**

Title	Description and Contents
<i>Attachment K-1 Payment System</i>	<i>Attachment K-1 Payment System</i> describes the Vendor's responsibilities pursuant to TexasOnline 2.0.

### **Section 4.02 Exhibit K Associated Plans and Timelines**

- (a) The following plans and timelines are associated with *Exhibit K Payment System*:

**Table 2: Exhibit K Payment System Associated Plans and Timelines**

Title	Initial Draft Due	Final Draft Due	Updates
<i>Attachment E-1 Implementation Plan</i>	With response	Fifteen (15) days after Master Agreement Effective Date	As necessary

**Section 4.03 Other Referenced Documents in Exhibit K**

(a) The following documents have been referenced in *Exhibit K Payment System*:

**Table 3: Other Referenced Documents**

Title	Description and Contents
<i>Exhibit C Financial Model</i>	Fees charged for payment services are outlined in <i>Exhibit C Financial Model</i> .