



University of  
**Kentucky**<sup>®</sup>  
*Procurement Services*

Request for Proposal  
UK-2510-25  
Proposal Due Date – 5/6/25

Merchant Card Services  
&  
Tuition Payment Management Services



## REQUEST FOR PROPOSAL (RFP)

**ATTENTION: This is not an order. Read all instructions, terms and conditions carefully.**

<b>PROPOSAL NO.:</b>	<b>UK-2510-25</b>	<b>RETURN ORIGINAL COPY OF PROPOSAL TO:</b>
<b>Issue Date:</b>	<b>4/2/25</b>	<b>UNIVERSITY OF KENTUCKY</b>
<b>Title:</b>	<b>Merchant Card Services &amp; Tuition Payment Management Services</b>	<b>PROCUREMENT SERVICES</b>
<b>Purchasing Officer:</b>	<b>Rebecca Purcell</b>	<b>411 S LIMESTONE</b>
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**IMPORTANT: PROPOSALS MUST BE RECEIVED BY: 5/6/2025 3 P.M. LEXINGTON, KY TIME.**

### NOTICE OF REQUIREMENTS

1. The University's General Terms and Conditions and Instructions to Bidders, viewable at <https://purchasing.uky.edu/bid-and-proposal-opportunities>, apply to this RFP. When the RFP includes construction services, the University's General Conditions and Special Conditions for Construction and Instructions to Bidders, viewable at <https://purchasing.uky.edu/bid-and-proposal-opportunities>, apply to the RFP.
2. Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.
3. Any agreement or collusion among offerors or prospective offerors, which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price or to refrain from offering, or otherwise, is prohibited.
4. Any person who violates any provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars nor more than ten thousand dollars or be imprisoned not less than one year nor more than five years, or both such fine and imprisonment. Any firm, corporation, or association who violates any of the provisions of KRS 45A.325 shall, upon conviction, be fined not less than ten thousand dollars or more than twenty thousand dollars.

### AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

1. That I am the offeror (if the offeror is an individual), a partner, (if the offeror is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the offeror is a corporation);
2. That the attached proposal has been arrived at by the offeror independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other Contractor of materials, supplies, equipment or services described in the RFP, designed to limit independent bidding or competition;
3. That the contents of the proposal have not been communicated by the offeror or its employees or agents to any person not an employee or agent of the offeror or its surety on any bond furnished with the proposal and will not be communicated to any such person prior to the official closing of the RFP;
4. That the offeror is legally entitled to enter into contracts with the University of Kentucky and is not in violation of any prohibited conflict of interest, including, but not limited to, those prohibited by the provisions of KRS 45A.330 to .340, and 164.390;
5. That the offeror, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sale and use tax imposed by Chapter 139 to the extent required by Kentucky law and will remain registered for the duration of any contract award;
6. That I have fully informed myself regarding the accuracy of the statement made above.

### SWORN STATEMENT OF COMPLIANCE WITH CAMPAIGN FINANCE LAWS

In accordance with KRS 45A.110 (2), the undersigned hereby swears under penalty of perjury that he/she has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky.

### CONTRACTOR REPORT OF PRIOR VIOLATIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341 & 342

The contractor by signing and submitting a proposal agrees as required by 45A.485 to submit final determinations of any violations of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that have occurred in the previous five (5) years prior to the award of a contract and agrees to remain in continuous compliance with the provisions of the statutes during the duration of any contract that may be established. Final determinations of violations of these statutes must be provided to the University by the successful contractor prior to the award of a contract.

### CERTIFICATION OF NON-SEGREGATED FACILITIES

The contractor, by submitting a proposal, certifies that he/she is in compliance with the Code of Federal Regulations, No. 41 CFR 60-1.8(b) that prohibits the maintaining of segregated facilities.

**SIGNATURE REQUIRED:** This proposal cannot be considered valid unless signed and dated by an authorized agent of the offeror. Type or print the signatory's name, title, address, phone number and fax number in the spaces provided. Offers signed by an agent are to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the issuing office

<b>DELIVERY TIME:</b>	<b>NAME OF COMPANY:</b>	<b>DUNS #</b>
<b>PROPOSAL FIRM THROUGH:</b>	<b>ADDRESS:</b>	<b>Phone/Fax:</b>
<b>PAYMENT TERMS:</b>	<b>CITY, STATE &amp; ZIP CODE:</b>	<b>E-MAIL:</b>
<b>SHIPPING TERMS: F. O. B. DESTINATION PREPAID AND ALLOWED</b>	<b>TYPED OR PRINTED NAME:</b>	<b>WEB ADDRESS:</b>
<b>FEDERAL EMPLOYER ID NO.:</b>	<b>SIGNATURE:</b>	<b>DATE:</b>

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## 1.0 DEFINITIONS

The term "addenda" means written or graphic instructions issued by the University of Kentucky prior to the receipt of proposals that modify or interpret the RFP documents by additions, deletions, clarifications and/or corrections.

The term "competitive negotiations" means the method authorized in the Kentucky Revised Statutes, Chapter 45A.085.

The terms "offer" or "proposal" mean the offeror's/offers' response to this RFP.

The term "offeror" means the entity or contractor group submitting the proposal.

The term "contractor" means the entity receiving a contract award.

The term "purchasing agency" means the University of Kentucky, Procurement Services, Room 322 Peterson Service Building, Lexington, KY 40506-0005.

The term "purchasing official" means the University of Kentucky's appointed contracting representative.

The term "responsible offeror" means a person, company or corporation that has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an offeror is responsible, the University may evaluate various factors including (but not limited to): financial resources; experience; organization; technical qualifications; available resources; record of performance; integrity; judgment; ability to perform successfully under the terms and conditions of the contract; adversarial relationship between the offeror and the University that is so serious and compelling that it may negatively impact the work performed under this RFP; or any other cause determined to be so serious and compelling as to affect the responsibility of the offeror.

The term "solicitation" means RFP.

The term "University" means University of Kentucky.

## 2.0 GENERAL OVERVIEW

### 2.1 Intent and Scope

This Request for Proposal (RFP) is issued by the University of Kentucky (UK) to solicit proposals from qualified, experienced, financially sound, and responsible firms to provide merchant card services, which include credit card processing services, managed tuition payment services, and alternative online and mobile payment solutions. The University reserves the right to award one or multiple contracts for merchant services described in this RFP.

The University of Kentucky is looking for contractors that are sensitive to customer service needs; creative in leveraging technology; and can propose innovative alternative payment solutions for the University. With this as background, the specific goals of the RFP are to:

- Minimize the overall costs for accepting payment cards
- Upgrade existing point-to-point encrypted (“P2PE”) devices used throughout the University
- Provide access to solutions for customizable hosted payment pages for eCommerce merchants selling products, services, or registration for events
- Improve merchant payment options, utilizing technologically advanced processing equipment, creative online solutions, and emerging digital payment options
- Reduce the number of third-party systems being used across the University
- Minimize the administrative burden of merchant payment services and improve operational efficiencies through business system automation
- Provide innovative electronic reporting capabilities
- Provide excellent customer service and support to University merchants
- Reduce the University’s Payment Card Industry (“PCI”) scope, inherently reducing Self-Assessment Questionnaire (“SAQ”), scanning, and penetration testing requirements

The scope of services is further defined in Section 7.0.

### 2.2 Background Information

The University Financial Service (UFS) division has sole responsibility for contracting for banking services at the University of Kentucky and for several of its affiliates. The University of Kentucky and its affiliates will be collectively referred to as the “University” in this RFP. The Treasury Services department within UFS administers the merchant card processing functions of the University by coordinating merchant requests and receiving daily merchant card deposit information. Any transaction service provider selected as part of this RFP will be expected to assist the UFS in enforcing this responsibility by not entering into any agreements with individual members or departments of the University community without the approval of UFS.

All University merchant departments accept American Express, Discover, MasterCard, and Visa credit cards. UK merchants accept payments via several methods: face-to-face, mail-in, phone-in, and internet-based. Additionally, payment cards are accepted for payment of tuition, continuing education and other academic expenses, as well as, payments relating to virtually all University-operated units with the need to accept payments for the sale of goods or services, such as UK HealthCare. Due to contractual obligations with Ticketmaster, the University of Kentucky Athletics Ticket Office credit card processing services will not be included in this contract.

A University department that wants to accept credit card payments must submit a request to Treasury Services. The request is processed internally and then forwarded to the processor to establish a merchant account (MID). The processor will then either deploy any necessary equipment, establish preferred gateways, or distribute a VAR setup file for other payment gateway options. Once merchant accounts are established, University merchants transmit transaction details for authorization and settlement to the processor via credit card terminals, POS systems, or internet processing gateways. The processor then will initiate an automated clearing house (ACH) deposit transmitted to the University's bank for each merchant's gross batch settlement. Utilizing the MID information included in the description fields of the ACH downloaded from the University's bank, Treasury Services department staff will then allocate the funds to the appropriate department internal cost center accounts. At the beginning of each month, the processor will initiate an ACH debit for each individual merchant account for the cumulative fees accrued throughout the month. The Treasury Services department staff will then allocate those fees to the appropriate University accounts.

As of February 28<sup>th</sup>, 2025, the University has 179 individual active merchant accounts.

The following table (Table 1) is a summary of merchant card processing activity by card brand for Fiscal Year 2024. (The UK Athletics credit card processing activity is not included in the data below).

Table 1 – Merchant Processing Activity

<b>Merchant Card Transactions</b> <b>Fiscal Year 2024</b> <b>(July 1, 2023 - June 30, 2024)</b>			
	<b>Total Transactions</b>	<b>Sales Amount</b>	<b>Avg Ticket</b>
Visa	861,311	\$77,419,075.03	\$89.89
MasterCard	328,932	\$34,478,279.67	\$104.82
Amex	72,503	\$15,829,867.46	\$218.33
Discover	48,470	\$5,021,041.18	\$103.59
Pin Debit	138	\$116,630.05	\$845.15
<b>Total</b>	<b>1,311,354</b>	<b>\$132,864,893.39</b>	<b>\$101.32</b>



The University currently requires all credit card processing for card-present transactions to be done via point-to-point-encrypted (P2PE) credit card terminals and equipment. P2PE solutions currently in use on campus include Bluefin Payment Systems, Worldpay P2PE, NMI P2PE and ScriptPro via PAYWare Mobile.

The following table (Table 2) shows the various types of P2PE credit card processing equipment in use by the University merchant departments.

Table 2

<b>Credit Card Processing Equipment (TID's)</b>		
<b><u>Terminal Type</u></b>	<b><u>Nbr</u></b>	<b><u>P2PE Gateway</u></b>
PAX A80	468	Bluefin P2PE
PAX A920Pro	37	Bluefin P2PE
ID Tech SREDKey Keypad	64	Bluefin P2PE
ID Tech SREDKey2 Keypad	82	Bluefin P2PE
Verifone Mx-915	2	Worldpay Express P2PE
Verifone Mx-925	27	ScriptPro/Verifone PAYware
ID Tech VP6825	4	Worldpay Express P2PE
T2 Globalcom BV1000R	7	NMI P2PE
Luke II Pay Machine	8	T2 Systems direct or Authorize.net for Card Present/Retail
Cosmo Pay Machine	11	T2 Systems direct or Authorize.net for Card Present/Retail
<b>Total TID's</b>	<b>710</b>	

The University has 121 merchant accounts that process online transactions, known as eCommerce merchants. Most of these eCommerce merchants connect to their payment gateways via a redirect from their own webpages to a hosted payment form or through an API via a third-party service provider. The following table (Table 3) shows the various types of internet payments gateways currently in use by the University merchant departments.

Table 3

<b>eCommerce Payment Gateways</b>	
<b>Payment Gateway Provider</b>	<b>Number</b>
Authorize.net	45
Worldpay Link (aka, 1 <sup>st</sup> Mile/Merchant Partners)	47
Bluefin Payments Systems (HPF)	28
USAePAY GET	1
Flywire SecurePay	1
Worldpay Express Gateway	1

The following tables (Tables 4 and 5) show the merchant card processing activity in both the number of transactions processed and sales revenue, respectively, for our top ten merchant departments during Fiscal Year 2024 (FY24). For each University department listed in the tables below, all merchant accounts (MID's) activity associated with that department have been combined. A detailed listing of the University's merchant locations and their associated processing activity during FY24 is provided in Appendix A. The University incurred 164 chargebacks for a total amount of \$27,497 during Fiscal Year 2024.

Table 4

Top Ten Departments by <u>Transaction Volume</u>					
FY2024					
Department	# of MIDs	# of Trans	Percent of University Total # of Trans	Sales	Average Ticket
UK HEALTHCARE	1	517,494	39.44%	\$51,549,895.49	\$99.61
UK Transportation Services	8	329,311	25.10%	\$7,842,801.89	\$23.82
UKHC PHARMACIES	11	283,558	21.61%	\$8,562,086.24	\$30.20
SAS - TUITION	3	42,518	3.24%	\$40,911,088.28	\$962.21
UK OFFICE OF PHILANTHROPY	3	17,221	1.31%	\$3,852,129.56	\$223.69
UK DENTISTRY	9	14,779	1.13%	\$3,933,811.05	\$266.18
CKMS	2	13,111	1.00%	\$1,574,385.44	\$120.08
MARTIN-GATTON COLLEGE OF AG, FOOD, AND ENV	16	7,820	0.60%	\$1,268,500.48	\$162.21
UK GRAD & FAMILY HOUSING	2	6,686	0.51%	\$4,207,916.54	\$629.36
UK CAMPUS RECREATION	2	6,659	0.51%	\$220,767.92	\$33.15
<b>Total for Top Ten</b>	<b>57</b>	<b>1,239,157</b>	<b>94.43%</b>	<b>\$123,923,382.89</b>	<b>\$100.01</b>

Table 5

Top Ten Departments by <u>Sales Revenue</u>					
FY2024					
Department	# of MIDs	# of Trans	Sales	Percent of University Total Sales	Average Ticket
UK HEALTHCARE	1	517,494	\$51,549,895.49	38.78%	\$99.61
SAS - TUITION	3	42,518	\$40,911,088.28	30.78%	\$962.21
UKHC PHARMACIES	11	283,558	\$8,562,086.24	6.44%	\$30.20
UK Transportation Services	8	329,311	\$7,842,801.89	5.90%	\$23.82
UK GRAD & FAMILY HOUSING	2	6,686	\$4,207,916.54	3.17%	\$629.36
UK DENTISTRY	9	14,779	\$3,933,811.05	2.96%	\$266.18
UK OFFICE OF PHILANTHROPY	3	17,221	\$3,852,129.56	2.90%	\$223.69
CKMS	2	13,111	\$1,574,385.44	1.18%	\$120.08
MARTIN-GATTON COLLEGE OF AG, FOOD, AND ENV	16	7,820	\$1,268,500.48	0.95%	\$162.21
UK ALUMNI ASSOC	3	4,716	\$839,206.73	0.63%	\$177.95
<b>Total of Top 10</b>	<b>58</b>	<b>1,237,214</b>	<b>124,541,821.70</b>	<b>93.69%</b>	<b>\$100.66</b>

The University of Kentucky also utilizes a tuition payment management service provider to collect card-present in-person and card-not-present online credit card payments for tuition and mandatory fees on students' accounts. The primary purpose of this arrangement is to process a percentage-based service fee in conjunction with the primary credit card payment for a student's tuition and fees. This service fee covers the credit card processing fees incurred by the University for these high-dollar transactions. The managed tuition payments service provider keeps the service fee revenue and in return pays the credit card processing fees incurred for all tuition payments. The tuition payment management service provider's system is integrated with the University's ERP system, SAP, to process online payments. The service provider also supplies the P2PE credit card terminals for in-person card-present transactions that also have the ability to charge the associated service fee. The table (Table 6) below shows the total activity for managed tuition payment services in Fiscal Year 2024, which is also included in the overall University processing activity listed in the tables above.

Table 6

	<b>Total Transactions</b>	<b>Sales Amount</b>
Tuition Payments via website (CNP, eCommerce)	42,074	\$40,376,441.40
Tuition Payments in person via swipe terminal (card present)	433	\$500,396.88
<b>Total Tuition Payments</b>	<b>42,507</b>	<b>\$40,876,838</b>

The University of Kentucky also partners with various companies who accept and process credit card transactions as part of the outsourced services they provide for the University. These service providers independently process transactions and remit funds directly to the University as part of the service agreement. Examples of such services, although this list is not totally inclusive, are conference and camp management services, ticketing services, learning management system services, and many more. The volume data provided above does not include the transactions processed by these companies. At this time, the University has no intent to change these existing business processes. Existing and future outsourced services contracts are not included in this RFP and will not be subject to any payment processing exclusivity arrangements included in the contracts awarded.

The University of Kentucky is committed to maintaining Payment Card Industry Data Security Standards (PCI DSS) compliance. Our existing processor currently classifies the University as Merchant Level III and we validate our compliance with the processor annually. With our persistent efforts to reduce our PCI DSS scope, all merchants annually complete either an SAQ-A or an SAQ-P2PE, or both. We desire a merchant card processing partner that will provide the University with high quality tools, knowledge, and support in our PCI DSS compliance efforts.

### **2.3 University Information**

Upon his arrival in 2011, President Eli Capilouto set an ambitious agenda to extend and enhance our role as Kentucky's land-grant and flagship research university. By focusing on infrastructure growth and improvement; creating opportunities for innovative teaching, learning and academic excellence; fostering a robust research enterprise; providing life-saving subspecialty care; empowering communities through service and outreach; and encouraging a transparent and shared

dialogue about institutional priorities; the University of Kentucky will help ensure a Kentucky tomorrow that is healthier, wealthier and wiser than it is today.

Our mission is to advance Kentucky.

Founded in 1865 as a land-grant institution adjacent to downtown Lexington, UK is nestled in the scenic heart of the beautiful Bluegrass region of Kentucky. From its early beginnings, with only 190 students and 10 professors, UK's campus now covers more than 900 acres. The university enrolled more than 32,000 students in Fall 2022 and has approximately 25,000 employees, including nearly 3,000 full-time faculty.

UK is one of a small number of universities in the United States that has programs in agriculture, engineering, law, fine arts and a full complement of health colleges including medicine and pharmacy, on a single campus alongside an academic health system, leading to groundbreaking discoveries and unique interdisciplinary collaboration.

The state's flagship university consists of 18 academic and professional colleges where students can choose from more than 200 majors and degree programs at the undergraduate and graduate levels. The colleges are Agriculture, Food and Environment; Arts and Sciences; Business and Economics; Communication and Information; Dentistry; Design; Education; Engineering; Fine Arts; Graduate School; Health Sciences; Honors; Law; Medicine; Nursing; Pharmacy; Public Health; and Social Work. These colleges are supported by a modern research library system.

Research at the University of Kentucky is a dynamic enterprise encompassing both traditional scholarship and emerging technologies. UK's research faculty, staff and students are establishing UK as one of the nation's most prolific public research universities. UK researchers were awarded more than \$452.9 million in extramural grant and contract funding in fiscal year 2022. Fifty-six percent of this funding comes from agencies in the federal government (\$256 million) such as the National Institutes of Health, National Science Foundation, Department of Energy, Department of Defense and numerous other federal, state and industry sponsors. Expenditures from research and development (R&D) activities at the university generate more than \$772 million in economic development across the Commonwealth of Kentucky and support more than 4,395 jobs.

With more than 70 research centers and institutes, UK researchers are discovering new knowledge, providing a rich training ground for current students and the next generation of researchers and advancing the economic growth of the Commonwealth of Kentucky. Several centers excel in the services offered to the public. The Gluck Equine Research Center is one of only three facilities of its kind in the world, conducting equine disease research.

The Center for Applied Energy Research (CAER) is internationally recognized for research in algae for carbon dioxide clean up, carbon materials, concrete and cement, emissions control in utilities, energy policy, fuels research, hydrogen, materials characterization and plant optimization.

Among the brightest examples of UK's investment in transformative research is the Markey Cancer Center. As a center of excellence and distinction at UK, Markey's robust research and clinical enterprise is the cornerstone of our commitment to Kentucky – fundamental to our success in uplifting lives through our endeavors and improving the general health and welfare of our state – burdened by the nation's highest rate of cancer deaths per 100,000 people. In 2013, Markey earned the prestigious National Cancer Institute-designation (NCI) – one of 68 nationally and the only one in Kentucky. The designation was renewed in 2018.

Both CAER and Markey are cornerstones of seven Research Priority Areas (RPAs) at the University of Kentucky. These areas — chosen based on local relevance, existing funding strength, sustainability and disciplinary scholarly diversity — focus UK's top research talent on the most pressing challenges confronting our state.

The University of Kentucky is the recipient of a Clinical Translational Sciences Award (CTSA) from the National Institutes of Health (NIH). As one of only 60 institutions with this research distinction, UK was awarded the CTSA for its potential in moving research and discovery in the lab into practical field and community applications. The CTSA and NCI are part of a trifecta of federal research grants that includes an Alzheimer's Disease Center. UK is one of only 29 universities in the country to hold all three premier grants from NIH.

Established in 1957, the medical center at UK is one of the nation's finest academic medical centers and includes the university's clinical enterprise, UK HealthCare. Licensed for 965 beds across UK Albert B. Chandler Hospital, Kentucky Children's Hospital and UK Good Samaritan Hospital, the system is supported by a growing faculty and staff providing the most advanced subspecialty care for the most critically injured and ill patients throughout the Commonwealth and beyond. Since 2014, the number of patients served by the medical enterprise has nearly doubled, with more than 38,000 discharges in 2022.

UK Chandler Hospital includes the only Level 1 Trauma Center for both adult and pediatric patients in Central and Eastern Kentucky. In addition, UK HealthCare recently opened one of the country's largest robotic hybrid operating rooms and the first of its kind in the region. While the new patient care pavilion is the leading health care facility for advanced medical procedures in the region, our talented physicians consult with and travel to our network of affiliate hospitals so Kentuckians can receive the best health care available close to their home and never need to leave the Bluegrass for complex subspecialty care.

As of December 1, 2022, King's Daughters Medical Center, based in Ashland, Kentucky, officially became part of the University of Kentucky. King's Daughters Medical Center serves a 16-county region across Kentucky, Ohio and West Virginia. Its health system is composed of two acute-care hospitals totaling 465 licensed beds, more than 50 ambulatory centers and practice locations, a long-term care facility, medical transport company and six urgent care centers.

The University of Kentucky Board of Trustees on Friday April 26, 2024 approved plans to proceed with the acquisition of St. Claire HealthCare in Morehead. The move for St. Claire to become part of UK will expand clinical and academic programs as well as result in greater access to high-quality patient care for more Kentuckians. St. Claire can continue its 60-year tradition of serving Northeastern Kentucky for decades to come, operating under the name UK St. Claire. St. Claire HealthCare is one of the largest employers in the region, with over 1,200 staff members, including a growing medical staff of more than 125 physicians and nearly 70 advanced practice professionals representing more than 30 medical specialties. It includes the largest rural hospital in Northeastern Kentucky, seven primary care locations located within five counties, a multi-specialty medical pavilion, two urgent care centers, a pediatrics clinic, as well as a retail pharmacy, counseling center, medical equipment and supply store, and an outpatient center. Additionally, St. Claire HealthCare provides home health and hospice services in eight counties within its 11-county service region. The acquisition was finalized on July 1, 2024.

UK's agenda remains committed to accelerating the university's academic excellence in all areas and gaining worldwide recognition for its outstanding academic programs, its commitment to students, its investment in pioneering research and discovery, its success in building a diverse

community and its engagement with the larger society. This commitment is all part of the university's mission as a 21st century flagship and land-grant research university. From its Nobel Laureates to cutting-edge work in addressing health disparities, and from the artistic wonders that stir souls to our scientific creativity that inspires minds, UK seeks a brighter future through the contributions of our faculty, staff, students and alumni.

We are the University of Kentucky. We are committed to advancing Kentucky in everything that we do.

## **SUSTAINABILITY**

Sustainability is an institution-wide priority for the University of Kentucky. We strive to ensure that all activities are ecologically sound, socially just, and economically viable, and that they will continue to be so for future generations. This commitment also prioritizes the integration of these principles in curricula, research, athletics, health care, creative works, and outreach. This principled approach to operational practices and intellectual pursuits is intended to prepare students and empower the campus community to support sustainable development in the Commonwealth and beyond. The UK Sustainability Strategic Plan guides these efforts (<https://www.uky.edu/sustainability/sustainability-strategic-plan>).

### **2.4 Economic Engagement and Procurement**

The University of Kentucky is committed to serving as an advocate for Kentucky located businesses as part of its on-going workforce development and economic development efforts.

The University desires to increase the amount of goods and services acquired from Kentucky located businesses. The University encourages its suppliers to support and assist in this effort.

The University's goals for increasing participation in procurement projects include but are not limited to the following:

- To ensure the absence of barriers that reduce participation.
- Educate vendors on "how to do business" with the University.
- Support Kentucky located vendors seeking to do business with the University in the areas of goods, services, construction, and other areas of procurement.
- Encourage participation of qualified Kentucky located vendors by directing them to agencies that can benefit from their product or service.
- Provide resources for Kentucky located vendors.
- Sponsor events to assist Kentucky located vendors in becoming active, responsible, and responsive participants in the University's purchasing opportunities.

For additional information regarding how Kentucky located suppliers may participate in this Request for Proposal, submit any questions to the Procurement Officer as indicated in Section 3.2 by the Deadline for Written Questions date.

### 3.0 PROPOSAL REQUIREMENTS

#### 3.1 Key Event Dates

Release of RFP	4/2/25
Deadline for Written Questions	3 p.m. Lexington Time on 4/15/25
RFP Proposals Due	3 p.m. Lexington Time on 5/6/25

#### 3.2 Offeror Communication

To ensure that RFP documentation and subsequent information (modifications, clarifications, addenda, Written Questions and Answers, etc.) are directed to the appropriate persons within the offeror's firm, each offeror who intends to participate in this RFP is to provide the following information to the purchasing officer. Prompt, thorough compliance is in the best interest of the offeror. Failure to comply may result in incomplete or delayed communication of addenda or other vital information. Contact information is the responsibility of the offeror. Without the prompt information, any communication shortfall shall reside with the offeror.

- Name of primary contact
- Mailing address of primary contact
- Telephone number of primary contact
- E-mail address of primary contact
- Additional contact persons with same information provided as primary contact

This information shall be transmitted via fax or e-mail to:

Rebecca Purcell  
Procurement Services  
University of Kentucky  
322 Peterson Service Building  
Lexington, KY 40506-0005  
Phone: (859) 257-5479  
Fax: (859) 257-1951  
E-mail: [rpurcell@uky.edu](mailto:rpurcell@uky.edu)

All communication with the University regarding this RFP should only be directed to the purchasing officer listed above.

### **3.3 Offeror Presentations**

All offerors whose proposals are judged acceptable for award may be required to make a presentation to the evaluation committee.

### **3.4 Preparation of Offers**

The offeror is expected to follow all specifications, terms, conditions and instructions in this RFP.

The offeror will furnish all information required by this solicitation.

Proposals should be prepared simply and economically, providing a description of the offeror's capabilities to satisfy the requirements of the solicitation. Emphasis should be on completeness and clarity of content. All documentation submitted with the proposal should be bound in the single volume except as otherwise specified.

An electronic version of the RFP, in .PDF format only, is available through the University of Kentucky Procurement Services website at: <https://purchasing.uky.edu/bid-and-proposal-opportunities>.

### **3.5 Proposed Deviations from the RFP**

The stated requirements appearing elsewhere in this RFP shall become a part of the terms and conditions of any resulting contract. Any deviations therefrom should be specifically defined in accordance with the transmittal letter, Section 4.3 (d). If accepted by the University, the deviations shall become part of the contract, but such deviations must not be in conflict with the basic nature of this RFP.

Note: Offerors should not submit their standard terms and conditions as exceptions to the University's General Terms and Conditions. Each exception to the University's General Terms and Conditions should be individually addressed.

### **3.6 Proposal Submission and Deadline**

Offeror must provide the following materials prior to 3 p.m. (Lexington, KY time) on the date specified in Section 3.1 and addressed to the purchasing officer listed in Section 3.2:

- **Technical Proposal:** Two (2) copies on electronic storage devices (USB) (1 copy per storage device) each clearly marked with the proposal number and name, firm name and what is included (Technical Proposal) and two (2) printed original copies.
- **Financial Proposal:** Two (2) copies on electronic storage devices (USB) (1 copy per storage device) each clearly marked with the proposal number and name, firm name and what is included (Financial Proposal) and two (2) printed original copies.

**Note: Proposals received after the closing date and time will not be considered. In addition, proposals received via fax or e-mail are not acceptable.**



**The University of Kentucky accepts deliveries of RFPs Monday through Friday from 8 a.m. to 5 p.m. Lexington, KY time. However, RFPs must be received by 3 p.m. Lexington, KY time on the date specified on the RFP in order to be considered.**

Proposals should be enclosed in sealed envelopes to the above referenced address and should show on the face of the envelope: the closing time and date specified, the solicitation number and the name and address of the offeror. The technical proposal should be submitted in a sealed envelope and the financial proposal should be submitted in a sealed envelope under separate cover. Both sealed envelopes should have identical information on the cover, with the addition that one will state "Technical Information," and the other, "Financial Proposal."

Note: In accordance with the Kentucky Revised Statute 45A.085, there will be no public opening.

### **3.7 Modification or Withdrawal of Offer**

An offer and/or modification of an offer received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered.

An offer may be modified or withdrawn by written notice before the exact hour and date specified for receipt of offers. An offer also may be withdrawn in person by an offeror or an authorized representative, provided the identity of the person is made known and the person signs a receipt for the offer, but only if the withdrawal is made prior to the exact hour and date set for receipt of offers.

### **3.8 Acceptance or Rejection and Award of Proposal**

The University reserves the right to accept or reject any or all proposals (or parts of proposals), to waive any informalities or technicalities, to clarify any ambiguities in proposals and (unless otherwise specified) to accept any item in the proposal. In case of error in extension or prices or other errors in calculation, the unit price shall govern. Further, the University reserves the right to make a single award, split awards, multiple awards or no award, whichever is in the best interest of the University.

### **3.9 Rejection**

Grounds for the rejection of proposals include (but not be limited to):

- Failure of a proposal to conform to the essential requirements of the RFP.
- Imposition of conditions that would significantly modify the terms and conditions of the solicitation or limit the offeror's liability to the University on the contract awarded on the basis of such solicitation.
- Failure of the offeror to sign the University RFP. This includes the Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest statements.
- Receipt of proposal after the closing date and time specified in the RFP.

**3.10 Addenda**

Any addenda or instructions issued by the purchasing agency prior to the time for receiving proposals shall become a part of this RFP. Such addenda should be acknowledged in the proposal. No instructions or changes shall be binding unless documented by a proper and duly issued addendum.

**3.11 Disclosure of Offeror's Response**

The RFP specifies the format, required information and general content of proposals submitted in response to this RFP. The purchasing agency will not disclose any portions of the proposals prior to contract award to anyone outside Procurement Services, the University's administrative staff, representatives of the state or federal government (if required) and the members of the committee evaluating the proposals. After a contract is awarded in whole or in part, the University shall have the right to duplicate, use or disclose all proposal data submitted by offerors in response to this RFP as a matter of public record.

Any submitted proposal shall remain valid six (6) months after the proposal due date.

The University shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal will not affect this right.

**3.12 Restrictions on Communications with University Staff**

From the issue date of this RFP until a contractor is selected and a contract award is made, offerors are not allowed to communicate about the subject of the RFP with any University administrator, faculty, staff or members of the board of trustees except: the purchasing office representative, any University purchasing official representing the University administration, others authorized in writing by the purchasing office and University representatives during offeror presentations. If violation of this provision occurs, the University reserves the right to reject the offeror's proposal.

**3.13 Cost of Preparing Proposal**

Costs for developing the proposals and any subsequent activities prior to contract award are solely the responsibility of the offerors. The University will provide no reimbursement for such costs.

**3.14 Disposition of Proposals**

All proposals become the property of the University. The successful proposal will be incorporated into the resulting contract by reference.

**3.15 Alternate Proposals**

Offerors may submit alternate proposals. If more than one proposal is submitted, all should be complete (separate) and comply with the instructions set forth within this document. Each proposal will be evaluated on its own merits.

**3.16 Questions**

All questions should be submitted by e-mail to the purchasing officer listed in Section 3.2 no later than the date listed in Section 3.1.

**3.17 Section Titles in the RFP**

Section titles used herein are for the purpose of facilitating ease of reference only and shall not be construed to infer the construction of contractual language.

**3.18 No Contingent Fees**

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this contract, except bona fide employees of the offeror or bona fide established commercial or selling agencies maintained by the offeror for the purpose of securing business. For breach or violation of this provision, the University shall have the right to reject the proposal, annul the contract without liability, or, at its discretion, deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee or other benefit.

**3.19 Proposal Addenda and Rules for Withdrawal**

Prior to the date specified for receipt of offers, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the University purchasing office, signed by the offeror. Unless requested by the University, the University will not accept revisions or alterations to proposals after the proposal due date.

**3.20 Requirement to Perform Vendor Onboarding and Registration**

As a condition of award, and for any renewals performed during the life of the contract, successful Contractor agrees to register their company with PaymentWorks, Inc., the University's vendor onboarding application. Registration information will be provided by Procurement Services as part of the award process. Further, should any company or business information change during the life of the contract, successful Contractor agrees to update this information in PaymentWorks as applicable. Supplier agrees to and should be responsible for all updates on their PaymentWorks account as it relates to submitting new remit-to addresses or other required supplier profile information. PaymentWorks provides support to all suppliers transacting with the University of Kentucky on the platform. Supplier agrees to and should be responsible for engaging PaymentWorks Support for any needed issues regarding updates or other matters to ensure their supplier account remains connected to the University.

## **4.0 PROPOSAL FORMAT AND CONTENT**

### **4.1 Proposal Information and Criteria**

The following list specifies the items to be addressed in the proposal. Offerors should read it carefully and address it completely and in the order listed to facilitate the University's review of the proposal.

Proposals should be organized into the sections identified below. The content of each section is detailed in the following pages. It is strongly suggested that offerors use the same numbers for the following content that are used in the RFP.

- Signed Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest Form
- Transmittal Letter
- Executive Summary and Proposal Overview
- Criteria 1 - Offeror Qualifications
- Criteria 2 - Services Defined
- Criteria 3 - Financial Proposal
- Criteria 4 - Evidence of Successful Performance and Implementation Schedule
- Criteria 5 - Other Additional Information

### **4.2 Signed Authentication of Proposal and Statements of Non-Collusion and Non-Conflict of Interest Form**

The Offeror will sign and return the proposal cover sheet and print or type their name, firm, address, telephone number and date. The person signing the offer should initial erasures or other changes. An offer signed by an agent is to be accompanied by evidence of their authority unless such evidence has been previously furnished to the purchasing agency. The signer shall further certify that the proposal is made without collusion with any other person, persons, company or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud; and that the signer is authorized to bind the principal offeror.

### **4.3 Transmittal Letter**

The Transmittal Letter accompanying the RFP should be in the form of a standard business letter and should be signed by an individual authorized to legally bind the offeror. It should include:

- A statement referencing all addenda and written questions, the answers and any clarifications to this RFP issued by the University and received by the offeror (If no addenda have been received, a statement to that effect should be included.).
- A statement that the offeror's proposal shall remain valid for six (6) months after the closing date of the receipt of the proposals.
- A statement that the offeror will accept financial responsibility for all travel expenses incurred for oral presentations (if required) and candidate interviews.

- A statement that summarizes any deviations or exceptions to the RFP requirements and includes a detailed justification for the deviation or exception.
- A statement that identifies the confidential information as described in Section 6.23.

#### **4.4 Executive Summary and Proposal Overview**

The Executive Summary and Proposal Overview should condense and highlight the contents of the technical proposal in such a way as to provide the evaluation committee with a broad understanding of the entire proposal.

As part of the Executive Summary and Proposal Overview, Offeror should submit with their response a summarized profile describing the demographic nature of their company or organization:

1. When was your organization established and/or incorporated?
2. Indicate whether your organization is classified as local, regional, national, or international.
3. Describe the size of your company in terms of number of employees, gross sales, etc.
4. Include other demographic information that you feel may be applicable to the Invitation for Bids submission.

<b>Business Description</b>	<b>Check All That Apply</b>
Minority-Owned	
Woman-Owned	
Small Business	
Veteran-Owned	
LGBTQ-Owned	
Disability-Owned Business Entity (DOBE)	
Diversity Not Indicated	

<b>Kentucky Located</b>	<b>Yes/No?</b>
Kentucky Located – Please indicate whether your business entity is physically located within the Commonwealth of Kentucky.	

#### **4.5 Criteria 1 - Offeror Qualifications**

The purpose of the Offeror Qualifications section is to determine the ability of the offeror to respond to this RFP. Offerors should describe and offer evidence of their ability to meet each of the qualifications listed below.

Our supply chains and business partnerships are an important aspect of this work. In your proposal, please (A) provide your company's mission and vision relative to sustainability, and (B) how your company, through services, products, and partnerships, will help the University of Kentucky advance specific elements of the Sustainability Strategic Plan.

##### **Background and Experience**

1. Provide a general overview and brief history of your organization, including parent and/or subsidiary companies and the number of employees.
2. Provide a general overview of the services you currently offer.
3. Provide how long the firm has been providing the services requested in this RFP.
4. Describe the experience of the firm in providing similar services for higher education and healthcare entities.
5. Provide details of any mergers, sales, or acquisitions undertaken by the firm during the preceding seven years.
6. List any third-party providers who will provide any element of the service you propose and explain their roles.
7. Discuss what major changes to merchant services your firm anticipates occurring in the next five years? What are your firm's plans to help your customers move to new technologies? What approach is your firm taking in the development of new services?
8. What is the average number of transactions currently processed daily? What is the greatest number of transactions processed in an hour, and by each platform? How does that compare to your current capacity?

##### **Safety and Soundness**

9. Indicate key measures of the Offeror's financial strength (e.g. annual revenue, capital ratios, market capitalization, cash flow ratios, available credit lines).
10. Provide your ratings from two ratings agencies, such as Standard & Poor's and Moody's.
11. Provide a copy of the latest annual financial audit and the most recent quarterly call report.
12. Provide a copy of the bank's most recent SOC 2 Audit report regarding the security, availability, processing integrity, confidentiality and privacy of its banking systems.
13. Provide any additional information which demonstrates your financial strength.

14. Include samples of any proposed agreements that will be required if you provide this service. If a standard agreement(s) is provided, please indicate such and discuss which provisions you agree to modify based upon the service requirements outlined in this RFP.

### **Personnel**

15. List names, titles, phone and e-mail addresses and provide brief biographies of relationship management contacts and senior management.
16. Describe the relationship management team that will service the account, as well as their functional responsibilities. Describe the higher education experience of the individuals assigned to work with the University.
17. For routine day-to-day transactions, will a specific customer service representative or a customer service department be assigned? Provide biographical information for the individual(s) that will be assigned day-to-day support on this account.
18. What are the hours of operation, including time zone, of the customer service personnel involved in supporting the proposed services?
19. Describe the escalation process for non-routine service issues.

### **Payment Card Industry Data Security Standards**

20. Is your organization, including all subcontractors and third-party processors, in compliance with all applicable current data security standards?
21. Have you been certified as compliant with PCI DSS requirements by a third-party security assessor? Please provide the appropriate documentation as evidence of compliance.
22. Has your organization experienced a data breach in the past 3 years? If so, share details of the event and measures taken to fortify the security of your organization to prevent future incidents.

## **4.6 Criteria 2 – Services Defined**

### **4.6.1 Merchant Card Payment Processing Services**

#### **Processing**

#### **Authorization**

1. Provide a list of the credit/debit card brands for which you can onboard and process.
2. What authorization methods does the firm support, and which are recommended for the University? List and describe alternatives. List any processor specific hardware needed to support each option.
3. What are the procedures to reverse an authorization and hold on a cardholder's account?
4. Describe your ability to process foreign/international credit cards. Describe if the process is different than a card issued domestically.

**Settlement**

5. Explain in detail the settlement, chargeback, and retrieval processes; include the proposed schedule, cut-off times, and availability of funds in University bank accounts. This should include the process for resolving any and all errors.
6. What is the settlement transmission time frame for Visa, MasterCard, Discover, and American Express?
7. Can you direct settle Visa/MasterCard/Discover?
8. Are American Express transactions passed to American Express for authorization and settlement?
9. What is the latest time that sales transactions can be transmitted to meet these settlement times?
10. Can daily activity processed on merchant card terminals be automatically closed and batched on a nightly basis? If so, can the University set the time for daily batching?
11. What are the procedures to refund a payment when the card is not present?
12. What is the maximum length of time after a transaction that the merchant can issue a refund?
13. What is your policy on unmatched refunds? How far back does your system look for the initial sales transaction?
14. Provide the schedule for funding sale proceeds to the University's bank account.
15. When deposits are made into the University's cash management bank, can settlement amounts be grouped by:
  - a. Batch?
  - b. Merchant identification number?
16. Can settlement details be passed via the addendum record associated with ACH-CCD transactions?
17. What information appears in the ACH addendum information to facilitate reconciliation (i.e. batch number, MID, etc.)?
18. Do you allow for multiple settlement bank accounts?
19. Are Saturday/Sunday/Monday batches deposited separately, or will they appear as a single lump deposit?

**Transaction Data Retrieval and Chargebacks**

20. Define the chargeback cycle.
  - a. What percentage of chargebacks are handled without merchant involvement?



- b. Does the firm have a standard rule-based logic to facilitate dispute resolution processing?
- 21. What response times and process does the firm require for responding to chargebacks? How do these time frames compare to the card association rules?
- 22. Will the University receive credit of merchant fees for chargebacks? When are they credited?
- 23. Does the firm provide a designated contact person or a department to help us manage chargebacks?
- 24. The University of Kentucky requires that chargebacks and other adjustments be debited separately, and not netted from daily proceeds. Describe your ability to honor this request.
- 25. Does the offeror have a system that has the ability of receiving and responding to all ticket retrievals and chargebacks via an online system?
- 26. Can email alerts be set up when a chargeback occurs?
- 27. Do you have the capability to store and retrieve transaction information, including signatures for bank card transactions? If so, do you have a system that enables the merchant to retrieve and receive this information online?

### **Debit Card Processing**

- 28. Describe the firm's debit card processing capabilities. What networks are used? What differences, if any, in workflow occur from credit cards?
- 29. Describe the firm's PIN and PINLESS debit card processing capabilities and requirements.
- 30. Describe the firm's Signature debit card processing capabilities.
- 31. Are debit card transactions routed automatically to the lowest cost network? Describe
- 32. Currently the University does not widely accept pin-based debit transactions. Explain the pros and cons of accepting pin-based transactions and your recommended action for the University of Kentucky.

### **General**

- 33. Does your processing system identify and eliminate duplicate transactions and batches?
- 34. What transaction data fields are used to determine if a transaction is duplicated?
- 35. What are the procedures to reinstate a transaction that was mistakenly identified and eliminated as a duplicate transaction?
- 36. Do you offer processing solutions that perform:
  - a. Deferred billing?
  - b. Installment billing?
  - c. Recurring billing?

37. Discuss any training that you would offer to the University. Describe if training is conducted as 'train the trainer', if direct training to merchant location staff is offered, or if it can be customizable to the UK merchant environment. Describe in detail the type of training that you offer. For example, do you provide training for: fraud management or awareness programs, PCI DSS compliance, the authorization/settlement process, chargebacks, or online systems and reporting?
38. A listing of the University of Kentucky merchant locations and associated activity is provided in Appendix A. Based upon this listing as well as other details provided in this RFP, discuss any recommendations you would have for the University regarding its current merchant structure, equipment/software utilized, or products.
39. Note, the majority of UK MIDS are assigned to the 8220 MCC code except for a small number of healthcare related MIDS that require an MCC that supports HSA, FSA, tax saver benefit, and similar transaction types. Will UK have the ability to assign or change preferred MCC codes to merchant accounts, as deemed necessary?
40. Describe the initiatives you have under-way to enhance and streamline the merchant acquirer process and plans for utilizing new technology.
41. Describe the firm's capabilities of accepting new payment methods, such as Apple Pay, Google Wallet, crypto, Paze, etc.? What hardware or software changes would be required?
42. Describe the type(s) of guarantees/warranties you provide for your services and equipment, including timeframes for defective equipment, replacement equipment, and newly purchased equipment.
43. Describe how updates and dissemination of industry-related rules or regulatory changes are handled.
44. Does your organization publish a newsletter covering industry issues, rules and regulations? How often is this distributed?
45. What specific feedback and suggestions do you regularly provide to the merchant to improve quality (e.g., recommendations on ways to reduce certain types of chargebacks, transaction downgrades, system or process modifications)?
46. What is your approach and philosophy toward new and emerging payments (mobile payments, pay-by-phone, tokens, QR codes, etc.)? Please list any types of emerging payments that you are working with your customers to implement. What resources can you provide to merchants that are considering adopting new and emerging forms of payment?

### **Fraud Prevention and Detection**

47. Please describe any fraud activity monitoring and prevention services that your company provides for merchant accounts.
48. Do you provide fraud-management training or awareness programs?
49. Are there limitations on the number of transactions:
  - a. Contained in a batch?
  - b. Processed daily?

50. Can velocity thresholds be set for individual MID's?
51. Describe what actions your firm will take if fraudulent card testing is suspected. Can/Will a merchant account be temporarily suspended due to such activity?
52. Are dollar thresholds put in place on each individual MID? If so, what are the procedures for a merchant to process a transaction that exceeds those thresholds? Can each MID be set with a threshold based on the needs of that account?
53. Are there limitations on the number of settlements transmitted each day?
54. If any of the previously mentioned limitations are exceeded, please describe the process to alert the University of the potentially fraudulent activity on a merchant account.
55. Discuss any processing requirements you may have, such as Address Verification Service, CVV2, or other requirements.
56. Does your system have settings to prevent key-entered card-not-present refund transactions?

#### **Payment Card Industry Data Security Standards**

1. Indicate what Merchant Level (1, 2, 3, 4) classification you would assign the University of Kentucky based on our existing processing activity shown in Table 1 in Section 2.2. Indicate whether you would apply the Level criteria to each individual merchant location or cumulatively to UK as a single entity.
2. If you provide any online merchant portal services, please provide the PCI DSS compliance status of each portal service as well as any third-party assessment of the portal.
3. Please describe if and how your organization can support merchants' PCI DSS compliance efforts. Can you provide support based on the criteria below:
  - a. Access to Offeror compliance support staff.
  - b. Provide consultation regarding PCI DSS related issues, as needed.
  - c. Recommending and evaluating PCI DSS QSAs and ASVs, and providing a liaison between the University and the assessors, as needed.
  - d. Offer PCI DSS training to University representatives and merchants.
4. Identify your PCI DSS support structure, including the compliance team, their backgrounds and professional certifications.
5. How do you monitor the PCI Compliance of your clients?
6. The University currently collects SAQs from each merchant account owner within an online PCI DSS Compliance Portal offered by our contracted QSA company annually. Upon successful collection of all SAQs, Treasury Services submits to the processor a single SAQ of each type (e.g. SAQ-A, SAQ-P2PE) with a report attached from our compliance portal showing the compliance status of each of our merchants to which that SAQ would be applicable. This method is used to attest the University's overall PCI DSS Compliance status. Please confirm if your firm will accept this method of attestation.

7. If the above method of attestation is not acceptable, what will be required from the University of Kentucky to validate its PCI DSS compliance?
8. Provide a copy of your incident response procedures. Describe in detail how incidents are handled.
9. How do you support clients who have experienced a PCI DSS violation? Provide examples.

### **Technical Capabilities**

#### **System Capabilities**

1. Describe the processing platforms supported by your institution, including location. Describe in detail the platform pertinent to your recommended solution and how you arrived at your recommended platform for UK. Provide system specifications, if appropriate.
2. What is your process for handling test transactions? Do you provide test cards and if so, what types?

#### **Equipment solutions**

3. The equipment currently utilized by the University appears in Table 2 shown earlier in this request for proposal. Is the University's existing card processing equipment shown in this table compatible with your processor or are new terminals required?
4. If the University needs replacement or additional terminals, what terminals would the firm recommend? In your response, identify which terminals are PCI-validated P2PE terminals.
  - a) Would the University acquire equipment through your firm or a third-party provider?
    - i) If the firm uses a third party, who is responsible for encrypting the terminals?
  - b) What is the cost of the recommended terminals?
  - c) Is the firm willing to provide the initial replacement of the University's current credit card terminals (Table 2) at no cost to support a transition? If so, how many?
  - d) Will the merchant card terminals be installed pre-programmed or will the University have to manually program each terminal?
  - e) Are updates pushed to the terminals automatically when available?
  - f) Do the terminal devices process card-present, in-person transactions utilizing EMV technology, as well as support NFC payments (e.g. Apple Pay, Google Pay, etc.)?
  - g) Do the terminals support FIDO/FIDO2 technology?
  - h) What is your maintenance, replacement and disposition policy for this equipment?
  - i) Describe your procedure for replacing malfunctioning equipment. How quickly will the equipment be replaced and at what cost to the University?

- j) What standard warranty is associated with any equipment purchased?
  - k) What is the anticipated lifespan of the recommended terminals?
  - l) Are any of the recommended terminals approaching end of life support?
5. State your willingness to provide supplies, such as signage, decals and terminal paper, at no cost or reduced pricing to the University. What other supplies might be offered with this type of arrangement?
  6. If there are issues related to terminals (i.e. installation of new software), who should the University call? What is the average wait time for a response? If the wait time is excessive, can the University call the relationship manager for expedited assistance?
  7. What wireless/cellular acceptance (i.e. equipment compatible with mobile devices) options are available?
    - a) If this wireless option is used for multiple events, how can amounts be segregated for each event (i.e. is there a log in feature, if so can multiple accounts be set up)?
    - b) What is the cost for these devices?
    - c) Are the proposed wireless options P2PE and fully PCI DSS compliant?
  8. Does the firm anticipate any major changes in hardware in the next three years with P2PE that would make the existing or new equipment obsolete? If so, what changes would affect the University and how should it plan for those changes on hardware issues?

### **E-commerce solutions**

9. The eCommerce payment gateways currently utilized by the University appear in Table 3 shown earlier in this request for proposal. Are the University's existing eCommerce payment gateways compatible with your firm?
10. Please list any additional internet gateway service providers currently integrated with your processing system.
11. Do you offer an internet payment gateway solution? Please list any internet payment gateway service providers for which you are a reseller of their services. Do you have a preferred internet gateway service provider?
  - a) Do you have a reseller agreement with Authorize.net? Please provide the pricing offered to your clients under the reseller agreement.
12. Can you offer or recommend any shopping cart and/or hosted payment form solutions in addition to your recommended internet payment gateway solutions? Does the hosted payment form solution make it easy for users to build customized payment forms for event registration or the sales of goods or services?
13. Please describe any alternative online payment solutions your company can offer or recommend.

14. Does your company currently offer a mobile payment solution that gives a merchant the ability to process transactions generated through the use of smart phones/tablet PCs, etc., utilizing P2PE technology and listed as PCI DSS compliant certified on the PCI DSS Council website?
15. Do any of your recommended eCommerce solutions support FIDO/FIDO2 technology?

**Disaster Recovery**

16. Describe your local back up and/or redundant systems.
17. Do you maintain immutable backups for critical systems?
18. Describe your “hot-site” back up capabilities in case of a complete site failure. How often are they tested?
19. Describe the last time that use of your back up system was required, the circumstances and the length of time the backup system was in use.
20. What is the expected time frame to become operational should a catastrophic event occur?
21. Does your organization maintain a cybersecurity insurance policy? If so, please provide the amount of coverage for the policy? Does your cybersecurity insurance policy include incident response services?

**Up-time Percentage**

22. What are established service levels for system availability?
23. Provide system availability statistics of your transaction processing system for the current and prior year.
24. Over the past year, what was the longest period that you were unable to authorize transactions? Describe the situation, including the source of the problem and the time it took to fix the problem.
25. What are the merchant processing instructions during an outage?

**Information Reporting**

1. Are reports or other information available via an online system?
2. Describe the firm’s daily/monthly reporting functionality as it pertains to merchants and institutional level reporting, including:
  - a. Reporting capabilities for all transactions including but not limited to settlement, fees, card brand breakdown, and chargebacks.
  - b. How multiple Terminal IDs within a merchant number are reported;
  - c. Flexibility for merchants to customize reports;
  - d. Ability for merchants to “roll-up” specific groups to report independently of other groups;

- e. Ability to run reports on historical information (e.g. sales, refunds, chargebacks, etc.) including the specific timeframes available (e.g. prior reporting periods);
  - f. Define the download capabilities, level of customization, and drill down capabilities available on online reporting and reports. What formats are available for download (excel, csv, pdf)?
  - g. Location and format of historical data;
  - h. Reporting methods / availability;
  - i. Lead time to retrieve historical reports; and
  - j. Timeframe that historical data is stored and available for reporting needs.
3. Provide samples of standard reports, including detail and summary reports. Describe other reports or analysis available to the merchant.
- a. Is a report available that will show credit card fees per each transaction?
  - b. Is a report available that will show monthly fees accrued at the MID and TID levels?
  - c. Will the reports show details about all fees paid to card-issuing firms, card associations, the payment processors, and any third-party service providers utilized by the client under your reseller arrangement?
4. Describe the process of setting up a user for the online reporting system.
- a. Can users be given access to only the accounts to which they need access? Can multiple MID's be viewed under a single login ID?
  - b. Can an administrator account be set up for a University staff person to be able to create user accounts for the online reporting system and grant access to various MID's to users?
  - c. How many University employees will the firm permit to access the online reporting system with a unique login identification? Is there a charge for additional users?
5. Can custom reports be created on the fly, saved, and scheduled for delivery via email in your reporting system?
6. Describe the training available to new users of your online reporting system.
7. Can electronic data be provided to import into other applications/systems?

## **Customer Service and Quality**

### **Customer Service**

1. Describe your customer service philosophy. Describe your customer service organizational structure. Is the customer service function performed in-house, or is it outsourced?

2. Identify the support staff and percentage of their time to be dedicated to the University of Kentucky. Describe where these people are located and their availability.
3. Do you hold regular meetings with customers to review the service? If so, describe the frequency and topics of discussion.
4. MIDs and Onboarding Expectations
  - a. After the initial implementation, describe the process for setting up new MIDs.
  - b. What is the typical time required to set up new MIDs?
  - c. Do you provide a standard onboarding/set up form that needs completed?
5. What is the process and expected timeline for closing a MID? Is it different if terminal based or online?
6. Specify the hours of operation for the customer support, for the Eastern Time zone.
7. Do you offer technical support for any software or systems you provide or recommend? If so, please describe that support and provide the hours of operation.
8. Are there established turnaround times for research items? If so, specify. What is your record for meeting established response times?
9. Describe the process to provide updates and dissemination of industry-related rules or regulatory changes.
10. Does your organization host or sponsor information webinars, user groups, annual client conferences, etc.? If so, provide examples.
11. Describe the promotional support you provide (e.g., signs, supplies, funds for specific purposes, advertising allowance). Is there any additional cost for this support?

### **Quality**

12. Do you have a formal quality-improvement program for card processing? If so, describe.
13. What key performance measures do you track? What is the reporting frequency and period for each measure? What are your last three performance levels for each measure?
14. List any quality awards related to card processing received.
15. Please tell us anything more that we should know about the quality of your services.

## **4.6.2 Tuition Payment Management Services**

### **System Integration Requirements**

1. Can your system integrate with the University's ERP system, SAP?
2. If so, describe your solution's integration with SAP, in particular with the student account management module.



3. Do you currently work with other institutions of higher education that utilize SAP?
4. Please describe any other integration methods for allowing payments from other University eCommerce websites.

### **Available Payment Methods**

#### **Credit Card Payments**

1. Does your solution support credit card transaction processing?
2. What card brands does your system accept?
3. Will the credit card transactions be processed through merchant accounts owned by the University through its credit card processor or merchant accounts owned by the Offeror utilizing its credit card processor?
4. Describe your credit card authorization and settlement process. Are credit cards authorized in real time? How long before funds are deposited into our bank account?
5. The credit card processing software must be processor independent and work with our existing or future credit card processor. Please provide a current list of credit card processors with whom your solution is certified to work.
6. Does your system support the requirements within the *Visa Government and Higher Education Payment Program*, as well as any requirements of any other card brands, to allow the charging of percentage based convenience/service fees?
7. Describe the firm's capabilities of accepting new payment methods via your online payment page, such as Apple Pay, Google Wallet, crypto, Paze, etc.
8. Is your system capable of storing customer cards on file utilizing tokenization technology for the convenience of returning customers to easily make future payments?
9. Does your eCommerce solution support FIDO/FIDO2 technology?

#### **Electronic Check Processing Requirements**

10. Does your solution support ACH (e-check) transaction processing?
11. Is your organization a member of NACHA?
12. Describe your electronic check authorization and settlement process. Are routing numbers validated in real time? How long before funds are deposited into our bank account?
13. Solution must provide a system that does not require changes to our current banking relationship.

#### **Card-present, in-person**

14. Does your system offer the ability to use terminal devices to take card-present, in-person payments and charge the related convenience/service fee? Please describe.

15. Which terminal devices do you recommend?
16. The University requires all credit card terminals to utilize a certified compliant P2PE solution. Please indicate which P2PE solution will be utilized with the terminals provided.
17. Do the terminal devices process card-present, in-person transactions utilizing EMV technology, as well as support NFC payments (e.g. Apple Pay, Google Pay, etc.)?
18. Do the terminals support FIDO/FIDO2 technology?
19. The offeror should supply these terminal devices as part of the solution at no cost to the University. Please confirm if you accept this arrangement.

**Other Payment Methods**

20. Are there any other methods of payment that your solution offers?

**Information Reporting**

1. Are reports or other information available via an online method?
2. Are reports downloadable in Excel/CSV and PDF format?
3. Describe the daily and/or monthly reconciliation reports available. Provide samples of standard reports, including detail and summary reports. Describe other reports or analysis available to the merchant.
4. Describe any customized reporting capabilities and provide samples of these reports.
  - a. Can customized reports be saved, shared, and/or scheduled for delivery via email?
5. Describe the training available to new users of your online reporting system.
6. Can electronic data be provided to import into other applications for reporting and analysis

**System Security and Fraud Prevention**

1. Describe the security measures used to prevent unauthorized user access to either the system or the data.
2. Please describe any fraud activity monitoring and prevention services that your company provides for merchant accounts.
3. Please provide detail on the use of a card verification number (CVV2, CVC2, CID), address verification (AVS) and other tools (e.g. Captcha technology) that your system uses to prevent fraudulent activity.

**Payment Card Industry Data Security Standards**

1. Has your solution been reviewed by a Qualified Security Assessor and been deemed PCI DSS? Please provide evidence of compliance in the form of a Report on Compliance (ROC), or, at

minimum, an Attestation of Compliance (AOC) and Self-Assessment Questionnaire D for Service Providers (SAQ-D-SP).

2. Do you provide assistance to the University to ensure that the integration method is properly configured to protect cardholder data and meet the PCI DSS compliance requirements?
3. Will you provide a Responsibility Matrix to the University outlining the PCI DSS requirement responsibilities for each party in the arrangement.

### **Service Reliability and Disaster Recovery**

#### **Disaster Recovery**

1. Describe your local back up and/or redundant systems.
2. Do you maintain immutable backups for critical systems?
3. Describe your “hot-site” back up capabilities in case of a complete site failure. How often are they tested?
4. Describe the last time that use of your backup system was required, the circumstances and the length of time the backup system was in use.
5. What is the expected time frame to become operational should a catastrophic event occur?
6. Compare the mean time to repair and network response times for your primary and back up systems.
7. Does your organization maintain a cybersecurity insurance policy? If so, please provide the amount of coverage for the policy? Does your cybersecurity insurance policy include incident response services?

#### **Up-time Percentage**

8. What are established service levels for system availability?
9. Provide system availability statistics of your transaction processing system for the current and prior year.
10. Over the past year, what was the longest period that you were unable to authorize transactions? Describe the situation, including the source of the problem and the time it took to fix the problem.

### **Customer Service**

1. Describe your customer service philosophy. Describe your customer service organizational structure. Is the customer service function performed in-house, or is it outsourced?
2. Describe the promotional support you provide (e.g., signs, supplies, funds for specific purposes, advertising allowance). Is there any additional cost for this support?
3. Will a specific customer service representative be assigned to handle this business? Describe the responsibilities of the customer service personnel, including the escalation process for

problem resolution. Identify the support staff and percentage of their time to be dedicated to the University of Kentucky. Describe where these people are located and their availability.

4. Do you hold regular meetings with customers to review the service? If so, describe the frequency and topics of discussion.
5. Specify the hours of operation for the customer service unit, for the Eastern Time zone.
6. Are there established turnaround times for research items? If so, specify. What is your record for meeting established response times?
7. Please describe the refund process for both the primary tuition payment and its associated service fees.
8. Does your organization host or sponsor information webinars, user groups, annual client conferences, etc.? If so, provide examples.

#### **Additional Information**

1. Please share any additional information regarding your Tuition Payment Management Service that should be considered during the evaluation of your proposal.

#### **4.7 Criteria 3 – Financial Proposal**

The Financial Summary Form should contain the complete financial offer made to the University using the format contained in Section 8.0. All financial information should be submitted in a sealed envelope under separate cover.

#### **4.8 Criteria 4 – Evidence of Successful Performance and Implementation Schedule Implementation**

1. Individual campus merchants' terminal requirements may vary; however, all campus merchants will require "turnkey" terminal installation, training, and support services. It is critical that there be no interruption in processing credit cards. Describe the merchant implementation process in detail, outlining a conversion plan, and the steps in the process of bringing a merchant into production and the normal time frame for implementation.
2. Suggest an implementation plan/timeline for conversion of all University merchant locations.
3. Describe the level and type of on-site support that will be provided during transition and conversion.
4. Specify the persons, by name and function, in your organization that have primary responsibility for merchant implementation and training.
5. Can you provide a dedicated technical contact that would be available during the implementation phase and possibly beyond?

**References**

1. Include the names and contact information for three current clients and two former clients (preferably within Higher Education) who are similar in size and complexity to the University of Kentucky.
2. Provide any additional information that is relevant to this RFP and your capabilities to provide the services requested (e.g., product brochures, articles in trade journals, press releases).

**4.9 Criteria 5 – Other Additional Information****Competitive Position and Future Commitment**

1. Who does your company consider its three major competitors? Why?
2. What differentiates your process and service from that of your competitors?
3. How do you plan to stay current and competitive?
4. What approach is your company taking in the development of new services?
5. What new services or features do you plan to offer within the next 12 months? 18 months?
6. Explain your company's representation on MasterCard, Visa, PCI SSC or other industry-related association or organization boards or committees.
7. Please provide any additional information that the offeror feels should be considered when evaluating their proposal.

The offeror may present any creative approaches that might be appropriate. The offeror may also provide supporting documentation that would be pertinent to this RFP.

## 5.0 EVALUATION CRITERIA PROCESS

A committee of University officials appointed by the Chief Procurement Officer will evaluate proposals and make a recommendation to the Chief Procurement Officer. The evaluation will be based upon the information provided in the proposal, additional information requested by the University for clarification, information obtained from references and independent sources and oral presentations (if requested).

The evaluation of responsive proposals shall then be completed by an evaluation team, which will determine the ranking of proposals. Proposals will be evaluated strictly in accordance with the requirements set forth in this solicitation, including any addenda that are issued. The University will award the contract to the responsible offeror whose proposal is determined to be the most advantageous to the University, taking into consideration the evaluation factors set forth in this RFP.

The evaluation of proposals will include consideration of responses to the list of criteria in Section 4.0. Offerors should specifically address all criteria in their response. Any deviations or exceptions to the specifications or requirements should be described and justified in a transmittal letter. Failure to list such exceptions or deviations in the transmittal letter may be considered sufficient reason to reject the proposal.

The relative importance of the criteria is defined below:

### **Primary Criteria**

- Offeror Qualifications
- Services Defined
- Financial Proposal
- Evidence of Successful Performance and Implementation

### **Secondary Criteria**

- Other Additional Services

The University will evaluate proposals as submitted and may not notify offerors of deficiencies in their responses.

Proposals should contain responses to each of the criteria, listed in Section 4 even if the offeror's response cannot satisfy those criteria. A proposal may be rejected if it is conditional or incomplete in the judgment of the University.

## **6.0 SPECIAL CONDITIONS**

### **6.1 Contract Term**

The contract resulting from this RFP shall be effective upon conclusion of negotiations with an anticipated date of March 3<sup>rd</sup>, 2026. Full daily operations must begin no later than February 25<sup>th</sup>, 2026. The initial contract will run for five (5) years through March 3<sup>rd</sup>, 2031, and is renewable for up to two additional two-year renewal periods. Annual renewal shall be contingent upon the University's satisfaction with the services performed. The University would like to begin implementation planning concurrent with the contract negotiation phase in order to ensure meeting these performance requirements.

### **6.2 Effective Date**

The effective date of the contract should be the date upon which the parties execute it and all appropriate approvals, including that of the Commonwealth of Kentucky Government Contracts Review Committee, have been received.

### **6.3 Competitive Negotiation**

It is the intent of the RFP to enter into competitive negotiation as authorized by KRS 45A.085.

The University will review all proposals properly submitted. However, the University reserves the right to request necessary modifications, reject all proposals, reject any proposal that does not meet mandatory requirement(s) or cancel this RFP, according to the best interests of the University.

Offeror(s) selected to participate in negotiations may be given an opportunity to submit a Best and Final Offer to the purchasing agency. All information received prior to the cut-off time will be considered part of the offeror's Best and Final Offer.

The University also reserves the right to waive minor technicalities or irregularities in proposals providing such action is in the best interest of the University. Such a waiver should in no way modify the RFP requirements or excuse the offeror from full compliance with the RFP specifications and other contract requirements if the offeror is awarded the contract.

### **6.4 Appearance Before Committee**

Any, all or no offerors may be requested to appear before the evaluation committee to explain their proposal and/or to respond to questions from the committee concerning the proposal. Offerors are prohibited from electronically recording these meetings. The committee reserves the right to request additional information.

### **6.5 Additions, Deletions or Contract Changes**

The University reserves the right to add, delete, or change related items or services to the contract established from this RFP. No modification or change of any provision in the resulting contract shall

be made unless such modification is mutually agreed to in writing by the contractor and the Chief Procurement Officer and incorporated as a written modification to the contract. Memoranda of understanding and correspondence should not be interpreted as a modification to the contract.

#### **6.6 Contractor Cooperation in Related Efforts**

The University reserves the right to undertake or award other contracts for additional or related work to other entities. The contractor shall fully cooperate with such other contractors and University employees and carefully fit its work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by University employees. This clause shall be included in the contracts of all contractors with whom this contractor will be required to cooperate. The University shall equitably enforce this clause to all contractors to prevent the imposition of unreasonable burdens on any contractor.

#### **6.7 Entire Agreement**

The RFP should be incorporated into any resulting contract. The resulting contract, including the RFP and those portions of the offeror's response accepted by the University, should be the entire agreement between the parties.

#### **6.8 Governing Law**

The contractor shall conform to and observe all laws, ordinances, rules and regulations of the United States of America, Commonwealth of Kentucky and all other local governments, public authorities, boards or offices relating to the property or the improvements upon same (or the use thereof) and will not permit the same to be used for any illegal or immoral purposes, business or occupation. The resulting contract shall be governed by Kentucky law and any claim relating to this contract shall only be brought in the Franklin Circuit Court in accordance with KRS 45A.245.

#### **6.9 Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act**

To the extent Company receives Personal Information as defined by and in accordance with Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act, KRS 61.931, 61.932 and 61.933 (the "Act"), Company shall secure and protect the Personal Information by, without limitation: (i) complying with all requirements applicable to non-affiliated third parties set forth in the Act; (ii) utilizing security and breach investigation procedures that are appropriate to the nature of the Personal Information disclosed, at least as stringent as University's and reasonably designed to protect the Personal Information from unauthorized access, use, modification, disclosure, manipulation, or destruction; (iii) notifying University of a security breach relating to Personal Information in the possession of Company or its agents or subcontractors within seventy-two (72) hours of discovery of an actual or suspected breach unless the exception set forth in KRS 61.932(2)(b)2 applies and Company abides by the requirements set forth in that exception; (iv) cooperating with University in complying with the response, mitigation, correction, investigation, and notification requirements of the Act, (v) paying all costs of notification, investigation and mitigation in the event of a security breach of Personal Information suffered by Company; and (vi) at University's discretion and direction, handling all administrative functions associated with notification, investigation and mitigation.



**6.10 Termination for Convenience**

The University of Kentucky, Procurement Services, reserves the right to terminate the resulting contract without cause with thirty (30) day written notice. Upon receipt by the contractor of a "notice of termination," the contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor will be calculated at the agreed upon rate prior to a "notice of termination" and a fixed fee contract will be pro-rated (as appropriate).

**6.11 Termination for Non-Performance****Default**

The University may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Failing to provide satisfactory quality of service, including, failure to maintain adequate personnel, whether arising from labor disputes, or otherwise any substantial change in ownership or proprietorship of the Contractor, which in the opinion of the University is not in its best interest, or failure to comply with the terms of this contract;
- Failing to keep or perform, within the time period set forth herein, or violation of, any of the covenants, conditions, provisions or agreements herein contained;
- Adjudicating as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might during that sixty (60) day period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default; or
- Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

**Demand for Assurances**

In the event the University has reason to believe Contractor will be unable to perform under the Contract, it may make a demand for reasonable assurances that Contractor will be able to timely perform all obligations under the Contract. If Contractor is unable to provide such adequate assurances, then such failure may be an event of default and grounds for termination of the Contract.

**Notification**

The University will provide ten (10) calendar days written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10)

calendar days, the University may terminate the contract by giving forty-five (45) days notice, by registered or certified mail, of its intent to cancel this contract.

#### **6.12 Funding Out**

The University may terminate this contract if funds are not appropriated or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the contractor thirty (30) calendar days' written notice of termination under this provision.

#### **6.13 Prime Contractor Responsibility**

Any contracts that may result from the RFP shall specify that the contractor(s) is/are solely responsible for fulfillment of the contract with the University.

#### **6.14 Assignment and Subcontracting**

The Contractor(s) may not assign or delegate its rights and obligations under any contract in whole or in part without the prior written consent of the University. Any attempted assignment or subcontracting shall be void.

#### **6.15 Permits, Licenses, Taxes**

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. However, the contractor need not be registered as a prerequisite for responding to the RFP.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

#### **6.16 Attorneys' Fees**

In the event that either party deems it necessary to take legal action to enforce any provision of the contract and in the event that the University prevails, the contractor agrees to pay all expenses of such action including attorneys' fees and costs at all stages of litigation.

### 6.17 **Royalties, Patents, Copyrights and Trademarks**

The Contractor shall pay all applicable royalties and license fees. If a particular process, products or device is specified in the contract documents and it is known to be subject to patent rights or copyrights, the existence of such rights shall be disclosed in the contract documents and the Contractor is responsible for payment of all associated royalties. To the fullest extent permitted by law the Contractor shall indemnify, hold the University harmless, and defend all suits, claims, losses, damages or liability resulting from any infringement of patent, copyright, and trademark rights resulting from the incorporation in the Work or device specified in the Contract Documents.

Unless provided otherwise in the contract, the Contractor shall not use the University's name nor any of its trademarks or copyrights, although it may state that it has a Contract with the University.

### 6.18 **Indemnification**

The contractor shall indemnify, hold and save harmless the University, its affiliates and subsidiaries and their officers, agents and employees from losses, claims, suits, actions, expenses, damages, costs (including court costs and attorneys' fees of the University's attorneys), all liability of any nature or kind arising out of or relating to the Contractor's response to this RFP or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

### 6.19 **Insurance**

The successful Contractor shall procure and maintain, at its expense, the following minimum insurance coverages insuring all services, work activities and contractual obligations undertaken in this contract. These insurance policies must be with insurers acceptable to the University.

#### **COVERAGES**

Workers' Compensation  
Employer's Liability  
Commercial General Liability including operations/completed operations, products and contractual liability (including defense and investigation costs), and this contract  
Business Automobile Liability covering owned, leased, or non-owned autos

#### **LIMITS**

Statutory Requirements (Kentucky)  
\$500,000/\$500,000/\$500,000  
\$1,000,000 each occurrence  
(BI & PD combined) \$2,000,000 Products and Completed Operations Aggregate  
\$1,000,000 each occurrence  
(BI & PD combined)

The successful contractor agrees to furnish Certificates of Insurance for the above-described coverages and limits to the University of Kentucky, Procurement Services. The University, its trustees and employees must be added as additional insured on the Commercial General Liability policy with regard to the scope of this solicitation. Any deductibles or self-insured retention in the above-described policies must be paid and are the sole responsibility of the contractor. Coverage is to be primary and non-contributory with other coverage (if any) purchased by the University. All of these required policies must include a Waiver of Subrogation (except Workers' Compensation) in favor of the University, its trustees and employees.

**6.20 Method of Award**

It is the intent of the University to award a contract to the qualified offeror whose offer, conforming to the conditions and requirements of the RFP, is determined to be the most advantageous to the University, cost and other factors considered.

Notwithstanding the above, this RFP does not commit the University to award a contract from this solicitation. The University reserves the right to reject any or all offers and to waive formalities and minor irregularities in the proposal received.

**6.21 Reciprocal Preference**

In accordance with KRS 45A.494, a resident offeror of the Commonwealth of Kentucky shall be given a preference against a nonresident offeror. In evaluating proposals, the University will apply a reciprocal preference against an offeror submitting a proposal from a state that grants residency preference equal to the preference given by the state of the nonresident offeror. Residency and non-residency shall be defined in accordance with KRS 45A.494(2) and 45A.494(3), respectively. Any offeror claiming Kentucky residency status shall submit with its proposal a notarized affidavit affirming that it meets the criteria as set forth in the above reference statute.

**6.22 Auditing**

The University, or its duly authorized representatives, shall also have access to any books, documents, papers, records or other evidence which are directly pertinent to this contract for the purpose of financial audit or program review.

**6.23 Confidentiality**

The University recognizes an offeror's possible interest in preserving selected information and data included in the proposal; however, the University must treat such information and data as required by the Kentucky Open Records Act, KRS 61.870, et seq.

Information areas which normally might be considered proprietary, and therefore confidential, shall be limited to individual personnel data, customer references, formulae and company financial audits which, if disclosed, would permit an unfair advantage to competitors. If a proposal contains information in these areas and the offeror declares them to be proprietary in nature and not available for public disclosure, the offeror should declare in the Transmittal Letter the inclusion of proprietary information and shall noticeably label as confidential or proprietary each sheet containing such information. Proposals containing information declared by the offeror to be proprietary or confidential, either wholly or in part, outside the areas listed above may be deemed non-responsive and may be rejected.

The University's General Counsel shall review each offeror's information claimed to be confidential and, in consultation with the offeror (if needed), make a final determination as to whether or not the confidential or proprietary nature of the information or data complies with the Kentucky Open Records Act.

**6.24 Conflict of Interest**

This Request for Proposal and resulting Contract are subject to provisions of the Kentucky Revised Statutes regarding conflict of interest and the University of Kentucky's Ethical Principles and Code of Conduct ([www.uky.edu/Legal/ethicscode.htm](http://www.uky.edu/Legal/ethicscode.htm)). When submitting and signing a proposal, an offeror certifies that no actual, apparent or potential conflict of interest exists between the interests of the University and the interests of the offeror. A conflict of interest (whether contractual, financial, organizational or otherwise) exists when any individual, contractor or subcontractor has a direct or indirect interest because of a financial or pecuniary interest, gift or other activities or relationships with other persons (including business, familial or household relationships) and is thus unable to render or is impeded from rendering impartial assistance or advice, has impaired objectivity in performing the proposed work or has an unfair competitive advantage.

Questions concerning this section or interpretation of this section should be directed to the University purchasing officer identified in this RFP.

**6.26 Copyright Ownership and Title to Designs and Copy**

The contractor and University intend this RFP to result in a contract for services, and both consider the products and results of the services to be rendered by the contractor hereunder to be a work made for hire. The contractor acknowledges and agrees that the work and all rights therein, including (without limitation) copyright, belong to and shall be the sole and exclusive property of the University. For any work that is not considered a work made for hire under applicable law, title and copyright ownership shall be assigned to the University.

Title to all dies, type, cuts, artwork, negatives, positives, color separations, progressive proofs, plates, copy and any other requirement not stated herein required for completion of the finished product for use in connection with any University job shall be the property of and owned by the University. Such items shall be returned to the appropriate department upon completion and/or delivery of work unless otherwise authorized by the University. In the event that time of return is not specified, the contractor shall return all such items to the appropriate University department within one week of delivery.

**6.27 University Brand Standards**

The contractor must adhere to all University of Kentucky Brand Standards. University Brand Standards are maintained by the University Public Relations Office (UKPR) and can be viewed at <http://www.uky.edu/prmarketing/brand-standards>. Non-adherence to the standards can have a penalty up to and including contract cancellation. Only the UKPR Director or designee can approve exceptions to the University standards.

Graphics standards for the UK HealthCare areas are governed by UK HealthCare Clinical Enterprise Graphic Standards, found at: <https://ukhealthcare.uky.edu/staff/brand-strategy>.

Contractor warrants that its products or services provided hereunder will be in compliance with all applicable Federal disabilities laws and regulations, including without limitation the accessibility requirements of Section 255 of the Federal Telecommunications Act of 1996 (47 U.S.C. § 255) and Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, Part 1194. For purposes of clarity,

updated regulations under Section 508 standards now incorporate WCAG 2.0, and for purposes of this agreement WCAG 2.0 Level AA compliance is expressly included. Contractor agrees to promptly respond to, resolve and remediate any complaint regarding accessibility of products or services in a timely manner and provide an updated version to University at no cost. If deficiencies are identified, University reserves the right to request from Contractor, a timeline by which accessibility standards will be incorporated into the products or services provided by Contractor and shall provide such a timeline within a commercially reasonable duration of time. Failure to comply with these requirements shall constitute a material breach of this Agreement and may be grounds for termination of this Agreement.

Where any customized web services are provided, Contractor represents that it has reviewed the University's Web Policy and all products or services will comply with its published standards.

Contractor will provide University with a current Voluntary Product Accessibility Template (VPAT) for any deliverable(s). If none is available, Vendor will provide sufficient information to reasonably assure the University that the products or services are fully compliant with current requirements.

#### **6.28 Printing Statutes**

The purchase of printing services for all state agencies is governed by Chapter 57 of the Kentucky Revised Statutes. Specifically, all printing must be awarded to the lowest responsive bidder and approved by the Governor of Kentucky. In compliance with these statutes, all printing must be provided by a contract established by Procurement Services.

#### **6.30 Payment Terms**

The University adheres to a strategic approach regarding payables management based on risk minimization, processing costs, and industry best practices. As such, suppliers and individuals doing business with the University will be paid based on the following protocol:

1. The University utilizes Payment Plus (e-payables) as its primary default form of payment. By enrolling in Payment Plus, suppliers can receive payments immediately (all invoices will be paid immediately upon confirmation of goods receipt and invoice). The process is electronic and the supplier receives real-time payment notices. Additional information regarding Payment Plus (and enrollment form) can be found at: <https://www.uky.edu/ufs/payment-plus-supplier-enrollment-form>.
2. Payments by check. Payment terms for check payments are Net-30.
3. Individuals receiving payments from the University that require ACH direct payments will only be processed under special circumstances as approved by the Controller's office. Payment terms for ACH are Net-30.

## 7.0 SCOPE OF SERVICES

### 7.1 Detailed Services Defined

This section describes the University's minimum standards for card processing and tuition payments services. By submitting its proposal, the vendor acknowledges that it has the commitment and resources to satisfy these standards.

The University intends to maintain the current acceptance of Visa, MasterCard, Discover and American Express. The University maintains a contract directly with American Express. In addition, the University will continue to accept Visa and MasterCard branded debit cards that are capable of being processed through the national debit and credit networks.

Functional requirements are as follows:

#### Credit Card Processing

1. Authorization and settlement must be provided for MasterCard, VISA, Discover and JCB cards. Unless your firm can authorize and settle American Express transactions at the University's contracted discount rate, those transactions will be passed directly to American Express for authorization and settlement.
2. Authorization and settlement should be provided for credit and debit card transactions through a variety of secure methods.
3. Authorization and settlement should be provided for transactions generated from card readers, from computer-based POS systems, and from web-based e-commerce sites. Transactions will take place in a wide range of point-of-sale environments, card present and MOTO (key entered, eCommerce). The Merchant Processor must be able to accept payments from the University's existing equipment, service providers, and gateways listed in Tables 2 and 3.
4. Response time for authorization should at least meet industry standards.
5. Online reporting should be available at no charge to the University as a whole as well as to each University merchant. This must include the ability for ad hoc reporting. The University desires to have direct administrator capabilities to grant user access to online reporting systems to an unlimited number of system users.
6. Daily settlement should be supported.
7. University settlement accounts should be funded within 24 hours requiring next day (after settlement) availability of funds, regardless of the financial institution that the University selects to receive the deposited funds. The University requires one depository bank account for all payment card receivables. A merchant number (MID#), Chain Code, or other merchant account identifier must be included in the addenda fields for each settlement ACH transaction. The University shall require settlement monies to be deposited via ACH to the designated bank account of their choice within 48 hours of the transaction.
8. The University requires that daily settlement batches be in gross total. Fees should not be "netted out" of each batch settlement; rather the processing fees will be paid monthly in arrears.

UK requires a monthly fee report by merchant number no later than seven (7) business days after the month end. Fees must be charged to each individual merchant via the ACH debit process.

9. UK should be able to obtain a monthly report detailing the MTD merchant activity. This report is used for statistical analysis should include the following report data:
  - Merchant Name
  - Merchant ID
  - Terminal ID
  - Total Sales
  - Total Transactions
  - Total Chargebacks
  - Number of Chargebacks
  - Total Returns
  - Number of Returns
  - Discount Fees
  - Other Fees
  - Effective Rate
  - Segment (Card) Type
  - Percent Sales Swiped
  
10. On a semi-annual and annual basis, the Merchant Acquirer must provide a formal report to the University which summarizes the program for the six-month period ending December 31<sup>st</sup> and for the twelve-month period ending June 30<sup>th</sup>. This report must be delivered to the University by electronic access within 45 days of the period ending date. The report must include, at a minimum, the following:
  - Monthly Sales Volume by Card Type (Gross and Net of Fees)
  - Monthly Sales Volume for Signature, Quick Pay, Debit, etc.
  - Monthly Transaction Volume by Card Type (sales and returns)
  - Monthly Average Ticket by Card Type
  - Discount fees and other fees by Month
  - Monthly Effective Rate for the Overall Program
  - Monthly Chargeback and Reversal Volume
  - Overall Sales Volume for Period by Card Type
  - Qualification Summary by Qualification Category / Sales for each card type
  - Excel Spreadsheet of Volume by Merchant Location to include:
    - Merchant Name
    - Merchant ID
    - Total Sales for Period
    - Total Transactions for Period
    - Total Chargebacks
    - Total Returns
    - Discount Fees paid
    - Other Fees paid
    - Effective Rate

In addition, the acquirer should provide, by merchant location, an analysis of any trends evident in the data, as well as recommendations for improvement in merchant card processing.



11. To assist in alleviating the cost of transitioning to a new merchant card processor, the University is asking the processor to provide at no cost new terminals utilizing the latest technology as a replacement for the terminals listed in Table 2 above. If the firm will not provide the equipment at no cost, equipment pricing and maintenance costs should be competitive. Replacement terminals must utilize the University's existing contracted P2PE solution providers.
12. Discount fee schedule should be consistent across all University Merchants but may vary by card issuer (e.g. MasterCard, Visa, American Express, JCB and Discover). The University will require that its merchant card vendor(s) provide services on a pass-through basis without markup (versus bundled pricing) and that all fees paid to card-issuing banks, card associations, and the payment processors be disclosed at the institution level.
13. The University reserves the right to add merchant locations accepting credit cards as the need arises at the price set within the contract.
14. The University reserves the option to assess a convenience, service, or surcharge fee in accordance with the card brand rules and any state/federal regulations.
15. The University reserves the right to contract with various companies who accept and process credit card transactions as part of the outsourced services they provide for the University. These service providers independently process transactions and remit funds directly to the University as part of the service agreement for the outsourced service they provide. Existing and future outsourced services contracts are not included in this RFP and will not be subject to any payment processing exclusivity arrangements included in the contracts awarded. The University would prefer that exclusivity clauses not be included within the contract.

#### **Tuition Payment Management Services**

1. The Offeror should provide a solution that integrates with the web-based Student Tuition Payment Portal of our ERP system, SAP. The solution must support the passing of minimal student and payment amount data and then handle the collection of the credit card data and processing of the transaction on its own website and servers. After authorization, the solution must be able to provide acknowledgement back to SAP to update the student account after an authorized or declined transaction. Additionally, the solution must provide a method of processing card-present, in-person transactions utilizing EMV processing technology.
2. The solution should have the ability to charge a percentage-based convenience/service fee in a method that meets the requirements of the *Visa Government and Higher Education Payment Program*, as well as the requirements of any other card brands. The solution must provide a method to charge the convenience/service fee for both card-not-present, online and card-present, in-person transactions. Each payment method must present the customer with a confirmation message notifying them of the calculated convenience fee and offer an option to discontinue the payment prior to processing the transaction.
3. The University desires a model where the offeror would incur all credit card processing costs associated with the individual merchant accounts for both the primary tuition payment and associated convenience fee and in turn would keep the revenue generated by the convenience/service fee.
4. Online reporting should be available at no charge to the University as a whole as well as to each University merchant. This must include the ability for ad hoc reporting. The University desires to

have direct administrator capabilities to grant user access to online reporting systems to an unlimited number of system users.

5. Any refunds of tuition payments processed by the University will require that any related service fee be refunded as well.

## **7.2 Optional Services**

### **Alternate Payment Solutions**

If you offer or would like to recommend a new payment product, service, or technology solution that may meet the needs of the University of Kentucky, we encourage you to submit an alternate proposal. Such services/solutions with which the University would be interested might include:

- mPOS solutions
- Centralized eCommerce solutions
- Conference and event management platforms
- Centralized receivables platforms

## **8.0 FINANCIAL OFFER SUMMARY**

Offerors are to provide a fixed price for the services offered.

### **8.1 Mandatory Services (Section 7.1)**

Please complete and attach Section 7.1 to provide support for your firm fixed price bid.

Please complete and attach Section 7.1 to provide support for your firm fixed price bid.

#### **8.1.1 Merchant Card Services**

1. Describe the discount rate structure in detail for each proposed card type. We currently accept Visa, MasterCard, Discover, JCB, and American Express.
2. Please complete the attached Pricing Pro forma (Appendix B). Identify all merchant card processing fees, including both (1) any markup assessed on interchange fees and assessments passed through from the card associations and debit networks, and (2) your institution's merchant card processing fees. Each proposal must show computational details for the total costs shown. It is imperative that the University be able to duplicate your calculation based on your computational detail. Itemize any other fees and/or costs that may be charged to the University if you are selected to provide merchant acquirer services. Include any one-time or set up charges, research fees, and all other fees that will or could be charged. Also include any monthly hosting fees and per item transaction processing fees associated with any internet payment gateway and/or shopping cart solutions that you offer or resell.
3. Indicate if there are any differences in fees for EMV based, card-present transactions versus non-EMV signature and debit transactions.
4. Provide pricing detail for any proposed P2PE processing solutions.
5. Do you provide an ongoing proactive analysis of merchant processing fees to determine if merchants are processing payments cost effectively?
6. Describe your ability to settle on a gross basis. Include an example of what your monthly invoice would look like.
7. Describe how and when the University would be notified of price adjustments and/or service level changes.
8. The prices for terminal equipment for lease/purchase/rental, installation and support should be included in the proposal.

#### **8.1.2 Tuition Payment Management Services**

1. Please provide pricing details for the entirety of your service. Please include the convenience/service fee proposed to be charged on transactions utilizing your solution for all

payment methods (e.g. credit card, debit card, ACH, etc.). Please include any one-time or set up fees, research fees and all other fees that will or could be charged.

2. If not provided at zero cost, the prices for terminal equipment for lease/purchase/rental, installation and support should be included in the proposal. All terminals must utilize a certified compliant P2PE solution.
3. Describe how and when the University would be notified of price adjustments and/or service level changes.

## **8.2 Optional Services (Section 7.2)**

Offerors should provide a bid on the optional services detailed in Section 7.2. The University should, at its sole discretion, make the determination as to whether the optional service will be undertaken.

For any offerors that are submitting Alternative Payment Solutions (Section 7.2):

1. Please provide pricing details for the entirety of your solution. Please include any one-time or set up fees, cost of equipment, programming/integration fees and all other fees that will or could be charged.

Please submit your bid on optional services by completing Section 7.2.

## **8.3 Alternate Pricing**

In addition to the above financial offer, the offeror may submit alternative financial proposals, however the information requested above must be supplied and will be used for proposal evaluation purposes.

### **Additional Financial Commitment**

The University is interested in partnering with suppliers in a strategic manner beyond the scope of the business arrangement. Offerors may submit proposals for mutually beneficial activities. Options may include a signing bonus, scholarships, internships, research, development, commitment to hire University graduates, and/or partnering on academic endeavors. Any ideas or offers submitted are purely optional and will not be determinative of the award.