

**State of Texas**  
**Department of Information Resources**



**Exhibit 2.1.2**

**Statement of Work**

**Texas.gov Payment Services**  
**DIR-ESS-TGOV-PMNT-254**

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# 1 INTRODUCTION

The following documents comprise the entire Statement of Work (SOW) for the Texas.gov Payment Services contract:

1. Exhibit 2.1.1 – Cross-Functional Services Statement of Work
2. Exhibit 2.1.2 – Payment Services Statement of Work
3. Exhibit 2.2 – Termination Assistance Services

The Successful Respondent shall follow the instructions contained within these and all other RFO and Master Service Agreement (MSA) documents, including all Exhibits.

## 1.1 General

As of the Commencement Date, Successful Respondent will be responsible for providing Payment Services as described in this Statement of Work. The Successful Respondent will provide Payment Services in support of the Application Software described in **Exhibit 4.4 Assets**, as it may be amended from time to time or supplemented through Change Control as defined in the Agreement. Additionally, the Successful Respondent is responsible for replicating all existing Payment Services capabilities not currently owned by the state.

Successful Respondent will be responsible for providing Payment Services for the Texas.gov Applications existing as of the Commencement Date (as described in the preceding paragraph) and those Applications developed and transitioned into the production environment.

## 1.2 Overview

The Successful Respondent shall be responsive to the current and future requirements of DIR and DIR Customers by proactively anticipating needs and adjusting Services. Requirements for New Services will be handled in accordance with **Section 11.5 New Services** of the Master Services Agreement (MSA) and the Successful Respondent shall work with DIR to assess the impact of these requirements on the Texas.gov Services Service Component Providers (SCPs), DIR Customers, and DIR's operating environments and supported applications in accordance with the terms of the MSA.

The Successful Respondent shall provide Charges inclusive of all activities required to provide the Services set forth in this SOW, including project-related support activities.

This scope of work defines requirements the Successful Respondent must meet to achieve the objectives of this procurement.

## 1.3 Operating Model

DIR has defined an operating model aimed at achieving the overall Texas.gov program objectives through leveraging Multi-sourcing Services Integrator (MSI) capabilities. This model provides context for the Texas.gov solution and outlines general responsibility boundaries between DIR, MSI, the Texas.gov SCPs and other supporting SCPs and state services.

As the overall service owner, DIR operates a sourcing management and governance organization that performs customer relationship leadership, service and sourcing strategy, service portfolio management, and contract and financial management roles.

The Successful Respondent shall provide Texas.gov functional capabilities in support of the Texas.gov Payment processing responsibilities. The Payment processing responsibilities include payment gateway services, client support, and managed payment services as described throughout this document.

The Successful Respondent will leverage and integrate with the MSI-provided capabilities as described in **Exhibit 2.1.1 Cross-Functional Services SOW** to deliver supply-side services. These capabilities include integration with the MSI-provided cross-functional processes and systems, execution of Texas.gov Payment Services scope, integration with the Texas.gov Services scope, and integration with the Texas Comptroller of Public Accounts Treasury Services.

## 2 Statement of Work

### 2.1 Gateway Services

#### 2.1.1 Requirements

Successful Respondent shall, at a minimum:

2.1.1.1 Provide and perform gateway functions supporting the channels, devices, payment types and United States Dollar (USD) currency.

2.1.1.2 Provide the systems, processes and operations in support of the Gateway Services.

2.1.1.3 Provide support for all payment channels through Successful Respondent standard interfaces, including, but not limited to:

2.1.1.3.1 Payments made on the web;

2.1.1.3.2 Payments made on the mobile web;

2.1.1.3.3 Payments made within a mobile application (i.e., in-app payments);

2.1.1.3.4 Payments made through standard APIs.

2.1.1.3.5 Payments made via interactive voice response (IVR);

2.1.1.4 Provide and support Successful Respondent-certified POS payment devices, including, but not limited to:

2.1.1.4.1 In-store mobile POS.

2.1.1.4.2 Countertop POS.

2.1.1.5 Successful Respondent shall allow a connection between applications utilizing swipe

devices purchased prior to the Effective Date and Successful Respondent's payment interface, so long as DIR Customer transmits to Successful Respondent swiped transaction data and not transaction data that has been keyed into the swipe devices. For other DIR Customer-supplied swipe devices on approved Texas.gov Applications, the Successful Respondent may allow a connection between the application and the Successful Respondent's payment interface if approved as a New Service, and so long as DIR Customer transmits to Successful Respondent swiped transaction data and not transaction data that has been keyed into the swipe devices.

- 2.1.1.6 The Successful Respondent shall provide a solution that will support and accept various types of electronic payments from Constituents and other Authorized Users. Electronic payment types include, but are not limited to:
  - 2.1.1.6.1 Online credit card and signature debit card payments.
  - 2.1.1.6.2 Online PIN debit.
  - 2.1.1.6.3 Online Branded prepaid or gift cards (e.g., American Express, MasterCard, Visa).
  - 2.1.1.6.4 Automated Clearing House (ACH) processing with support for all NACHA formatted Standard Entry Class (SEC) Codes.
- 2.1.1.7 Provide processing and support for subscription and recurring payments with equal or varying amounts per billing period.
- 2.1.1.8 Provide processing and support for split payments per transaction.
- 2.1.1.9 Provide processing and support the USD currency for presentation and settlement.
- 2.1.1.10 Provide advanced anti-fraud protection capabilities including:
  - 2.1.1.10.1 Fraud thresholds and escalation process.
  - 2.1.1.10.2 Realtime automated fraud detection, prevention and ID theft protection.
  - 2.1.1.10.3 Dispute mediation policies, processes and operations.
  - 2.1.1.10.4 Flexible liability agreements by payment method.
- 2.1.1.11 Provide the ability to test the payment methods and processes during Transition, new Customer onboarding, maintenance and upgrade activities, enhancement projects and as requested by Customers.

## 2.2 Constituent Experience

### 2.2.1 Requirements

Successful Respondent shall, at a minimum:

- 2.2.1.1 Provide ability to deliver an intuitive, compelling, easy-to-pay Constituent experience.
- 2.2.1.2 The Successful Respondent shall work with the Texas.gov Services SCP to develop and implement a process for Constituents to set-up recurring electronic payments.
- 2.2.1.3 Provide custom branded checkout option and Hosted Payment Page (HPP) for Texas.gov applications.
- 2.2.1.4 Provide the option for Constituent to save payment method(s) on file for repeat or future one-click purchases.
- 2.2.1.5 Provide mobile payment presentation at checkout.
- 2.2.1.6 Provide mobile presentation of receipts.
- 2.2.1.7 Provide the option for one-click / frictionless (buy now) payments.
- 2.2.1.8 Provide payment processing service availability meeting or exceeding the levels of service as defined in **Exhibit 3.0 Performance Model**.

## 2.3 Customer Support

### 2.3.1 Support

Successful Respondent shall, at a minimum:

- 2.3.1.1 Negotiate market competitive credit card processing rates.
- 2.3.1.2 The Successful Respondent shall create and manage any agreements required with credit card companies, third (3<sup>rd</sup>) party processors, or other entities required to process credit/debit/electronic check payments via the Internet and phone.
- 2.3.1.3 The Successful Respondent shall obtain prior DIR approval for any changes that are made to the electronic payment options fee structure at any time during the term of the Agreement.
- 2.3.1.4 The Successful Respondent shall obtain prior DIR approval of any Constituent fees or charges associated with the proposed electronic payment options.
- 2.3.1.5 The Successful Respondent shall implement new, modified or expanded payments options as required and agreed to by the Parties.
- 2.3.1.6 Provide a designated contact in Austin, Texas, for the payment operational support to Customers and TCPA Treasury.
- 2.3.1.7 Provide Level 2 and Level 3 technical support in English available twenty-four (24) hours a day, seven (7) days a week, 365 days a year, according to the SLAs defined in

**Exhibit 3.0 Performance Model**, to Texas.gov service desks agents to contact and receive support. Support contact methods include:

2.3.1.7.1 Phone.

2.3.1.7.2 Email.

2.3.1.7.3 Live Chat and Chatbot.

2.3.1.8 Provide appropriate access to the Successful Respondent provided payment administration console for properly authorized MSI users to perform approved Level 1 support and Customers to perform approved Customer functions (e.g., refund processing).

2.3.1.8.1 All user accounts established for non-Successful Respondent access to the payment administration console shall be periodically reviewed for appropriateness by DIR or their designee(s) with the results provided to Successful Respondent.

2.3.1.8.2 Provide access and terminate access to the payment administration console for DIR Customers upon request. DIR Customers are responsible for all actions while using the administrative module.

2.3.1.9 Provide processes and systems to manage the exception process for settlement issues and failed settlements.

2.3.1.10 Provide processes and systems to manage and work exception credit card chargebacks.

2.3.1.11 Obtain at least six (6) months of the most recent historical transaction data from Incumbent vendor and make available in the Successful Respondent system for Customer credit card chargeback, refund and reconciliation purposes.

2.3.1.12 Participate in the appropriate governance activities set forth in **Exhibit 1.2 Governance Model**. Duties include but are not limited to:

2.3.1.12.1.1 Provide and present agenda items, in alignment with MSI, concerning the Gateway Services with prior governance review; and

2.3.1.12.1.2 Perform all relevant administrative functions.

## **2.3.2 Data Access and Reporting**

Successful Respondent shall, at a minimum:

2.3.2.1 Provide financial reporting and support for electronic payment transaction information, reconciliation, and auditing purposes.

2.3.2.2 Provide financial and transaction details as described in **Exhibit 3.4 Performance Analytics**.

- 2.3.2.3 The Successful Respondent shall resolve all instances when a transmission file is unbalanced (i.e., the payment detail does not equal the funds).
- 2.3.2.4 Provide all transaction data for the previous Transaction day ending at 11:59:59 PM CST of the prior day, as required to fully reconcile all attempted and failed transactions, to the MSI and T CPA Treasury Services, on a daily basis as agreed by DIR and defined in the Service Management Manual (SMM), and, in automation-friendly formats (e.g., CSV, XML), and delivery method agreed to by the MSI (e.g., Application Program Interface (API), Secure File Transfer Protocol (SFTP)), including at a minimum:  

The Texas Comptroller of Public Accounts only requires transaction data if it is USAS related.

  - 2.3.2.4.1 Texas.gov Customer hierarchy setup.
  - 2.3.2.4.2 Processed transactions.
  - 2.3.2.4.3 Charges.
  - 2.3.2.4.4 Deposits.
  - 2.3.2.4.5 Fees (split into three (3) categories: Customer/Agency, DIR, Payment Services).
  - 2.3.2.4.6 Exception transactions.
  - 2.3.2.4.7 Credit card chargeback transactions.
  - 2.3.2.4.8 Refund transactions.
  - 2.3.2.4.9 Settlement and exception reporting.
  - 2.3.2.4.10 Reconciliation reporting.
  - 2.3.2.4.11 Payment decline analysis by payment method, region, currency, amount range, Merchant Identification Number (MID), Terminal Identification Number (TID), Gateway Identification Number (GID), Bank Identification Number (BIN) and reason code. In this instance "region" refers to an affected geographic area. If multiple transactions are declined in a specific geographic area, this may indicate connectivity or set up issues specific to that area.
  - 2.3.2.4.12 Flow of funds and data through the ACH network.
- 2.3.2.5 Provide the MSI, DIR, and Customers real-time access of all attempted and failed transactions and payment reports online, in human-readable reports (e.g., Online, Excel and PDF) with export capabilities, through Successful Respondent's interfaces, with access to twelve (12) months of history, including at a minimum:

- 2.3.2.5.1 Texas.gov customer hierarchy setup.
  - 2.3.2.5.2 Processed transactions.
  - 2.3.2.5.3 Charges.
  - 2.3.2.5.4 Deposits.
  - 2.3.2.5.5 Fees (split into three (3) categories: DIR Customer/Agency, DIR, Payment Services).
  - 2.3.2.5.6 Exception transactions.
  - 2.3.2.5.7 Credit card chargeback transactions.
  - 2.3.2.5.8 Refund transactions.
  - 2.3.2.5.9 Settlement and exception reporting.
  - 2.3.2.5.10 Reconciliation reporting.
  - 2.3.2.5.11 Payment decline analysis by payment method, region, currency, amount range, Merchant Identification Number (MID), Terminal Identification Number (TID), Gateway Identification Number (GID), Bank Identification Number (BIN) and reason code.
  - 2.3.2.5.12 Flow of funds and data through the ACH network/gateway.
- 2.3.2.6 Provide tools, API and processes for ad hoc retrieval and reconciliation of processed and exception transaction data.
  - 2.3.2.7 Provide tools, API and processes for ad hoc retrieval and reconciliation of charges, deposits and fees.
  - 2.3.2.8 Provide tools, API and processes for direct access to the credit card processor(s) enabling the ability to access to research and escalate issues on behalf of DIR or a DIR Customer.

## 2.4 Payment Services

### 2.4.1 Payments

Successful Respondent shall, at a minimum:

- 2.4.1.1 The Successful Respondent shall process electronic payments in accordance with the approved SMM, and any other Texas Comptroller of Public Accounts (TCPA) approved format.
- 2.4.1.2 Provide electronic payment services for all payment solutions (e.g., credit card, debit

card, ACH debit, etc.) that allows for the processing of electronic payments via real time transactions.

2.4.1.3 Provide electronic payment services for all payment solutions that allows for the processing of POS credit card and debit card electronic payments via real time transactions.

2.4.1.3.1 Provide ability to capture signature.

2.4.1.4 Configure the payment processing capabilities to support TCPA rules, including but not limited to:

APS 029: The TCPA Treasury policy document for online processing.

<https://fmx.cpa.texas.gov/fm/pubs/aps/29/index.php>

2.4.1.5 Maintain direct connection to the payment networks, subject to compliance with the rules set by the credit card brands, including at a minimum, the:

2.4.1.5.1 Visa branded network.

2.4.1.5.2 Discover branded network

2.4.1.5.3 MasterCard branded network.

2.4.1.5.4 American Express branded network.

2.4.1.5.5 There is no prohibition on the use of a third party merchant processor.

2.4.1.6 Provide ability to accept Level 1, Level 2 and Level 3 credit card data for processing.

2.4.1.7 Provide the ability to support the processing of payment authorizations and captures in the multiple ways, including:

2.4.1.7.1 Authorize and capture via one (1) transaction (Synchronous).

2.4.1.7.2 Authorize and capture via separate steps in a workflow process (Asynchronous).

2.4.1.8 Provide the ability to specify all payment transactions in Central Time (CT).

2.4.1.9 Provide ability to support paperless workflow.

2.4.1.10 Provide ability to support email alerts.

2.4.1.11 Provide ability to support dynamic soft descriptors.

## **2.4.2 ACH Payments**

- 2.4.2.1 Provide ability to connect and support ACH payment transactions, including same-day transactions.
- 2.4.2.2 The Successful Respondent shall provide Non-USAS Customers the option of offering ACH processing.
- 2.4.2.3 The Successful Respondent shall provide USAS Customer ACH request files to TCPA to enable TCPA to process the ACH transactions.
- 2.4.2.4 The Successful Respondent shall propose a funds flow process for debit-based ACH payments by a Constituent, subject to DIR approval.
- 2.4.2.5 The Successful Respondent's funds flow process shall minimize risk to both Parties.
- 2.4.2.6 The Successful Respondent's funds flow process shall be mutually agreed to by the Parties prior to the date the Successful Respondent begins processing payments under the Agreement.
- 2.4.2.7 The Successful Respondent's bank account shall be Federal Deposit Insurance Corporation (FDIC) insured.

## **2.4.3 Deposits**

Successful Respondent shall, at a minimum:

- 2.4.3.1 Provide the ability to deposit payment transaction funds in the following ways:
  - 2.4.3.1.1 Deposit State funds directly into the TCPA-Treasury bank accounts.
  - 2.4.3.1.2 Deposit non-State funds directly into a DIR Customer directed bank account
- 2.4.3.2 Ensure disbursements for the previous day's settled transactions occur after 11:59:59 PM Central Time (CT) through 07:00:00 AM CT. Friday, Saturday, Sunday, and holiday transactions must be disbursed on the next business day. Transaction day is defined in the SMM.

## **2.4.4 Credit Card Chargebacks**

Successful Respondent shall, at a minimum:

- 2.4.4.1 Provide processing and resolution of credit card chargebacks.
- 2.4.4.2 Implement processes and procedures to minimize instances of payment transaction credit card chargebacks to the greatest extent possible.
- 2.4.4.3 Ensure that the descriptor appearing on Constituent's monthly statement clearly identifies the transaction from the Constituent's perspective.

- 2.4.4.4 Ensure that the descriptor includes the name of the DIR Customer as well as a description of the item being charged.
- 2.4.4.5 Build adequate edits and validations into automated systems to prevent erroneous transactions including, at a minimum:
  - 2.4.4.5.1 Prevent Constituents from erroneously submitting the same Payment Transaction multiple times.
  - 2.4.4.5.2 Eliminate the need for Constituents to enter payment amounts. This is not meant to preclude an application from allowing a partial payment from Constituents.
  - 2.4.4.5.3 Prevent Constituents from modifying payment amounts computed by automated systems.
  - 2.4.4.5.4 Utilize card number check digit routines.
  - 2.4.4.5.5 Utilize address verification and credit card security codes.
- 2.4.4.6 Successful Respondent shall ensure traceability of any online payment transaction from acceptance through authorization, settlement, posting, and any refunds or transaction credit card chargebacks.
- 2.4.4.7 All pull-back funds by the credit card companies for transaction chargebacks (a Remitter-initiated return of funds) shall be from the Customer's bank account.
- 2.4.4.8 Successful Respondent shall coordinate with Customers as necessary to resolve disputes.
- 2.4.4.9 Successful Respondent shall dedicate adequate resources to respond to payment disputes in a timely manner as defined in the SMM.
- 2.4.4.10 Provide automated processes and administrative tools that provide support for research, voids, refunds, and customer-disputed charges.
- 2.4.4.11 Provide ability to automatically match credit card chargeback to the original authorization and settlement record.

## **2.4.5 ACH Returns**

- 2.4.5.1 In the event of an ACH Return for a service where the funds flow to the Successful Respondent owned bank account, the Successful Respondent will provide processing to invoice the Customer for original ACH amount disbursed to Customer.
- 2.4.5.2 ACH Returns are any ACH/eCheck items returned for non-payment by the end-user's financial institution. Successful Respondent is not responsible for any collection of non-payment or for the ACH Return amount debited from the State's depository account.

## **2.4.6 Refunds**

Successful Respondent shall, at a minimum:

- 2.4.6.1 The Successful Respondent shall develop and implement a process for handling refunds for electronic payments.
- 2.4.6.2 Provide the ability to process automated refunds within twelve (12) months, and no more than twelve (12) months, of the original sales transaction date.
- 2.4.6.3 Provide ability to look up refunds online with the appropriate reference number in accordance with the SMM.
- 2.4.6.4 Provide ability to look up refunds online without the appropriate reference number.
- 2.4.6.5 Provide online access to perform the following:
  - 2.4.6.5.1 process refunds.
  - 2.4.6.5.2 process voids.

## **2.4.7 Cost Reduction**

Successful Respondent shall, at a minimum:

- 2.4.7.1 Provide ability to reduce costs with features such as lowest cost routing and software development kits with open APIs for web service development.
- 2.4.7.2 Provide interchange optimization to achieve the lowest possible interchange costs from the issuing banks.
- 2.4.7.3 Provide ability to increase revenue with features such as sophisticated fraud detection, local authorization requests and one-click payments.
- 2.4.7.4 Provide multiple settlement periods to enable the State to receive funds as soon as possible.
- 2.4.7.5 Provide multiple settlement timing options, including:
  - 2.4.7.5.1 Multiday.
  - 2.4.7.5.2 Consolidated.

## **2.4.8 Fees**

Successful Respondent shall, at a minimum:

- 2.4.8.1 Provide the option to deposit 100% of collected receipts directly into TCPA-Treasury

accounts without removing any fees.

## 2.5 Risk and Regulatory Compliance

The Successful Respondent is required to store, route and process transactions while minimizing risk.

### 2.5.1 Security

Successful Respondent shall, at a minimum:

- 2.5.1.1 Provide Payment Card Industry (PCI) Data Security Standard (DSS) compliant operations for all payment-related services.
- 2.5.1.2 Achieve PCI DSS Level 1 compliance and perform annual on-site reviews by an internal auditor and network scan by an approved scanning vendors (ASV).
- 2.5.1.3 Provide the option for Europay, MasterCard, Visa (EMV) compliant processing.
- 2.5.1.4 Maintain audit trails for all actions taken including but not limited to routing changes, fee changes, permissions changes, user management changes and any relevant actions for all enabled products and features.
- 2.5.1.5 Support all data security and financial audits as required by DIR.
- 2.5.1.6 Provide audit reports including:
  - 2.5.1.6.1 SOC 2 Type II report audited over the previous twelve months.
  - 2.5.1.6.2 PCI Attestation of Compliance (AOC).
- 2.5.1.7 Provide support for End-to-end encryption for inline frames, web services, APIs, HPPs or any other methods deployed to process payments and transact Constituent information.
- 2.5.1.8 Provide support for End-to-end tokenization for inline frames, web services, APIs, HPPs or any other methods deployed to process payments.
- 2.5.1.9 Provide fraud prevention capabilities to, at a minimum:
  - 2.5.1.9.1 Provide verification of customer address to card billing address for card-related transactions.
  - 2.5.1.9.2 Provide address verification of customer shipment to address.
  - 2.5.1.9.3 Provide flexible 3D Secure cardholder verification from Visa and MasterCard.
  - 2.5.1.9.4 Provide CVV2 and CVC code verification for credit cards.

2.5.1.9.5 Provide Account Verification System (AVS) capability.

2.5.1.9.6 *Intentionally left blank*

2.5.1.9.7 Provide fraud controls with parameters for flagging outlier transactions.

2.5.1.9.8 *Intentionally left blank*

2.5.1.10 Store and secure credit card/off-line debit card data to ensure that it meets or exceeds credit card issuer privacy and security requirements.

2.5.1.11 Isolate all electronic records and supporting evidence of suspected or confirmed security and/or privacy incidents or breaches of the payment processing system, transactions, or related databases.

2.5.1.12 Securely and permanently delete temporary files for all secure online transactions at the completion of each transaction.

2.5.1.13 Clearly state how Citizen(s) privacy is being protected in privacy policies and procedures in compliance with applicable State, Federal, and industry requirements.

2.5.1.14 Comply with all physical security procedures in all DIR facilities.

2.5.1.15 Adhere to all security requirements as defined in **Exhibit 2.1.1 Cross-Functional Services SOW**.

2.5.1.16 Cooperate with and assist the Texas.gov Services SCP in any subsequent investigation of suspected or confirmed security and privacy incidents.

## **2.5.2 Regulatory Compliance**

Successful Respondent shall, at a minimum:

2.5.2.1 Provide all Services in compliance with the Texas adopted Governmental Accounting Standards Board (GASB) standards, as included in the **Texas Government Code, Section 321.013(b)** and **Texas Government Code, Section 403.013(c)**.

2.5.2.2 Be willing to develop, extend or expand payment methods and processing to accommodate regulatory requirements not currently identified.

## **2.6 Redundancy and Disaster Recovery**

The Successful Respondent shall comply with the following requirements.

### **2.6.1 Processing Controls**

2.6.1.1 Provide monitoring, logging and capture of processes performance and support for payment transaction and systems failures throughout the electronic payment process.

## 2.6.2 Disaster Recovery

- 2.6.2.1 Provide fully redundant Services to allow for 24/7 payment availability and achievement of the service levels as required in **Exhibit 3.0 Performance Model**.
- 2.6.2.2 Adhere to the IT Service Continuity Management (ITSCM) requirements in Exhibit **2.1.1 Cross-Functional Services SOW** and provide redundant processes to recover from potential disasters so the effects will be minimized and the Successful Respondent's organization will be able to maintain or quickly resume mission critical functions.

## 2.7 Application Integration

### 2.7.1 Application Integration

The Successful Respondent shall, at a minimum:

- 2.7.1.1 Provide the ability to integrate all electronic payment services with public-facing web-based applications provided and maintained by the Texas.gov Services SCP, DIR Customers, and Successful Respondent.
- 2.7.1.2 *Intentionally Left Blank.*
- 2.7.1.3 Provide fully licensed, PCI DSS compliant, payment entry pages and HPP using the Successful Respondent's services branded to DIR Customer and DIR specifications.
- 2.7.1.4 Ensure that the HPP template is compliant to Federal and Texas state laws for Accessibility including Section 508 compliance (with §1194.22 Web-based Intranet and Internet Information and Applications) and Web Content Accessibility Guidelines (WCAG) 2.0 Level AA, and provide validation documentation of compliance.
- 2.7.1.5 Provide payment entry pages with customizations, including but not limited to: Texas.gov and Customer logos as approved by DIR and DIR Customer, service options, donation selection options, and messages as requested by DIR or DIR Customer.
- 2.7.1.6 Provide HPP customizations, including but not limited to: Texas.gov and Customer logos as approved by DIR and DIR Customer, and messages as requested by DIR or DIR Customer.
- 2.7.1.7 Through Successful Respondent standard integrations and configurations, provide API integration and multiple language Software Development Kit (SDK), processing and support to allow Customers to host their own PCI PA-DSS compliant payment pages integrating with the Successful Respondent's web payment channels that support payments including, but not limited to:
  - 2.7.1.7.1 Payments made on the web including multi-item purchases.
  - 2.7.1.7.2 Payments made within a mobile app (i.e., in app payments).

- 2.7.1.7.3 Payments made using an eCommerce shopping cart with Successful Respondent standard integrations to the most popular industry applications (e.g., WordPress).
- 2.7.1.8 Provide a standard method and support for identifying requirements, configuring, integrating, testing, and implementing HPP and API capabilities into the Texas.gov applications.
- 2.7.1.9 Provide a controlled test environment(s) for use during Transition, development, break/fix testing of all payment transaction types (e.g., credit card, debit card, ACH, etc.).
- 2.7.1.10 Provide integration with the MSI provided systems as required in **Exhibit 2.1.1 Cross-Functional Services SOW**.
- 2.7.1.11 Support capabilities to enable Texas.gov to optimize to reduce payment processing cost (e.g., open API's for direct integration).

## 2.8 Application Portfolio Management

### 2.8.1 Application Portfolio Management Support

Application Portfolio Management (APM) is a service for DIR Customers that is currently under development. The APM provides a centralized approach to collecting, analyzing, and describing the relationships between and among Customer's business applications, thereby allowing Customers to make informed, prioritized decisions about investments in technology services that support their business needs. While the APM Shared Service is provided by a Service Component Provider(s), the MSI provided Configuration Management System (CMS) shall provide a container to store select APM attributes (e.g. Business Application names) as required to efficiently share data between the CMS and APM service.

The Successful Respondent shall:

- 2.8.1.1 Use DIR's APM offering to track and maintain application data
- 2.8.1.2 Provide and input all required data sets into the APM to maintain accuracy and relevancy.
- 2.8.1.3 Maintain application inventories and relationship mappings within the CMDB.
- 2.8.1.4 The MSI shall provide the systems, processes and service delivery oversight necessary to ensure consistent, quality service delivery. DIR Customers and Texas.gov Services SCP are responsible for maintaining individual service configuration items, noting their use of specific Payment Service components.

### 3 TRANSITION

#### 3.1 Transition Requirements

##### 3.1.1 General

The Successful Respondent shall, at a minimum:

- 3.1.1.1 Acquire all knowledge necessary to operate Payment Processing for Texas.gov.
- 3.1.1.2 Work collaboratively with the Incumbent provider to affect an orderly transition of Payment Processing.
- 3.1.1.3 Coordinate payment processing integration and implementation activities to ensure technological compatibilities among payment processing hardware, software, system interfaces, and telecommunications infrastructures.
- 3.1.1.4 Adhere to all governance structures and requirements described in this RFO and implemented during Transition and as stated in the SMM.
- 3.1.1.5 Participate in consolidation planning and execution processes with DIR, the MSI and other SCPs as required.
- 3.1.1.6 Establish all financial mechanisms and accounting procedures to manage Texas.gov payment processing operations. This activity includes maintaining detailed information on transactions processed by the Successful Respondent beginning on the Commencement Date and continuing for at least the next twelve (12) months, and thereafter for no less than the most recent twelve (12) months. This rolling twelve (12) months of historical financial information shall be available in the Successful Respondent system for Customer credit card chargeback, refund and reconciliation purposes.
- 3.1.1.7 Establish all necessary processes and interfaces with stakeholders for Texas.gov transaction processing as it relates to payment processing. This may include establishing or transferring merchant accounts for DIR Customers who have applications on Texas.gov.
- 3.1.1.8 Provide sufficient staff, tools and processes to ensure all Services successfully transition from the Incumbent without service degradation to DIR Customers, Constituents, or TCPA.
- 3.1.1.9 Ensure all payment capabilities are successfully transitioned to Successful Respondent tools and processes by Commencement, or according to the agreed Transition plan, without service degradation to DIR Customers, Constituents, or TCPA Treasury Operations.
- 3.1.1.10 Develop a detailed Transition Plan including the Successful Respondent's approach to transitioning Services from the Incumbent provider while avoiding service disruption to

the DIR Customers, Constituents, or TCPA Treasury Operations.

3.1.1.11 The Transition Plan should include, at a minimum, all Applications, systems, processes, knowledge and reporting that are required to transition from the Incumbent provider. See **Exhibit 3.3 Critical Deliverables** for further requirements.

3.1.1.12 Establish staff in the Austin, Texas area to facilitate communication, auditing, and access to records and documentation.

### **3.1.2 People and Training**

The Successful Respondent shall, at a minimum:

3.1.2.1 Provide sufficient staffing to accomplish Transition objectives.

3.1.2.2 Provide sufficient training of Successful Respondent's staff to support the proposed solution prior to commencement.

3.1.2.3 Be responsible for all knowledge transfer from the Incumbent provider to Successful Respondent's staff.

3.1.2.4 Adhere to the mandatory MSI, DIR, and regulatory required training for all of Successful Respondent's staff prior to commencement.

3.1.2.5 Establish and document strategic and operational guides, processes, and procedures required to support the services and requirements in the Agreement.

3.1.2.6 Train all Customers and TCPA Treasury Operations respective staff on the Successful Respondent's systems, processes, and Services prior to Commencement.

### **3.1.3 Transition and Maintenance of Applications**

The Successful Respondent shall, at a minimum:

3.1.3.1 Input required information related to Successful Respondent's Services into the CMDB and APM.

## **3.2 Replacement of Non-State-Owned Payment Capabilities**

### **3.2.1 Requirements**

The Successful Respondent shall, at a minimum:

3.2.1.1 Implement the required capabilities to replace the Incumbent's functionality along with functionality required to support Contractual requirements, while avoiding service disruption to DIR Customers and Constituents

### 3.3 Integration with other Parties

#### 3.3.1 Requirements

The Successful Respondent shall, at a minimum:

- 3.3.1.1 Integrate with the MSI as directed in **Exhibit 2.1.1 Cross-Functional Services SOW**.
- 3.3.1.2 Coordinate and work with the Texas.gov Services SCP to complete onboarding of DIR Customers to the Successful Respondent's provided Services.
- 3.3.1.3 Coordinate with Texas.gov Services SCP, DCS SCPs, and DIR Customers to establish all necessary processes and interfaces for Texas.gov payment processing.
- 3.3.1.4 Coordinate with the Texas.gov Services SCP and DIR Customers to update Applications as required to establish or transfer payment processing to Successful Respondent's systems.
- 3.3.1.5 Establish processes and interfaces with TCPA Treasury Operations.

#### 3.3.2 Transition Plan

Respondent shall describe in detail the Transition Plan, solution, and overall approach to implement the Services and transition from the Incumbent. Respondent shall submit a draft Transition Plan as follows:

##### 3.3.2.1.1 Transition Overview

Respondent shall describe its plan for taking over the Services from the Incumbent at the Commencement Date, including, but not limited to, documenting pre-Commencement activities that must occur, how transition will take place at the Commencement Date, and what post-Commencement Date activities will be required to fully transfer all components of the Services from the Incumbent (e.g., Applications, assets, software licenses and operational documentation). Respondent shall include Knowledge Transfer requirements and associated activities and schedule for such activities.

##### 3.3.2.1.2 Transition Timeline

Respondent shall describe the overall timeline from the start of pre-Transition activities through the establishment of predictable, repeatable service delivery results that meet the requirements of the RFO. The schedule should include a description of the critical milestones related to Transition efforts. Any critical milestones identified should be included in the Transition Project Plan.

##### 3.3.2.1.3 Transition Assistance Support

Respondent shall describe the support it will require from the Incumbent to prepare for and execute a smooth transition, including the following:

1. **Personnel Support** – Respondent shall describe the personnel and organizational support required from the Incumbent and applicable third party vendors that is

- critical to planning, preparation, and turnover of Services.
2. Critical Information – Respondent shall describe critical information needed from the Incumbent as part of transition planning, solution development, transition readiness assessment, and work turnover, including pre-Commencement knowledge transfer activities.
  3. Contingency Plans – Respondent shall describe areas for which contingency plans will be developed including under what conditions and in what timeframe they would be invoked to address inadequate information or support from the Incumbent.
  4. Technology Support – Respondent shall describe the technology assistance required from the Incumbent and MSI to support in the transition of toolsets.
  5. Assumptions – Respondent shall describe any key assumptions that have been factored into Respondent’s plans for Termination Assistance Support from the Incumbent that have not been mentioned in other sections.

#### 3.3.2.1.4 Transition Services

Respondent shall describe its approach for the following:

1. Service Operations – Respondent shall describe how the Incumbent’s Service Operation functions (e.g., Project Office, Release Management, Testing, Maintenance, etc.) will be transitioned to the new environment.
2. Policies and Procedures – Respondent shall describe how it will transition the current Policy and Procedures Manual and/or current Service Management Manual (SMM) to the proposed SMM content. Respondent shall provide recommendations for phased implementation and identify the timing to complete the sections of the SMM. Respondent shall include a description of how technical runbooks and Technical Recovery Guides will be updated to current requirements and as changes are made to the environment.
3. Service Management Systems – Respondent shall describe plans for transitioning from the Incumbent’s Service Management Systems to the MSI-provided Service Management Systems that are set forth in the RFO. Include Respondent’s expectations for what systems will be in place at the Commencement Date and what systems or changes will be put in place subsequently.
4. CMDB – Respondent shall describe its approach to transitioning the data and related processes from the existing data sources and/or CMDB to its solution leveraging the MSI-provided CMDB, including how Respondent proposes to ensure accuracy.
5. Integration – Respondent shall describe how it will work with the MSI and SCPs to ensure no disruption in service for DIR and DIR Customers and Constituents. Respondent shall include a listing of integration points expected between Respondent tools and processes with the MSI and the SCPs.
6. Disaster Recovery – Respondent shall explain how it will support the Texas.gov Services SCP using Successful Respondent’s standard offerings during DR related activities and ensure continuity of operations.

The file must be a narrative form of the Respondent’s approach for Transition, in Microsoft Word format, and must be entitled, “**ABC\_DIR\_RFO\_Transition\_Plan.docx.**”

#### 3.3.2.1.5 Transition Project Plan

Respondent shall provide a Transition Project Plan in Microsoft Project format including all milestones and high level activities necessary for the successful completion of transition.

The file, (which should include timing and milestones) must be in Microsoft Project format and entitled **“ABC\_DIR\_RFO\_Transition\_Project\_Plan.”**