



DEPARTMENT OF PROCUREMENT SERVICES  
NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION

Complete this cover form and the **Non-Competitive Procurement Application Worksheet** in detail. Refer to the page entitled "Instructions for Non-Competitive Procurement Application" for completing this application in accordance with its policy regarding NCRB. Complete "other" subject area if additional information is needed. Subject areas must be fully completed and responses merely referencing attachments will not be accepted and will be immediately rejected.

<b>Department</b>	<b>Originator Name</b>	<b>Telephone</b>	<b>Date</b>	<b>Signature of Application Author</b>
Finance	Richard Ponce	745-2892	6-16-2017	<i>Richard Ponce</i>
Contract Liaison	Email Contract Liaison	Telephone		
Steve Sakai	steve.sakai@cityofchicago.org	744-2894		

List Name of NCRB Attendees/Department

Richard Ponce  
Steve Sakai

Request NCRB review be conducted for the product(s) and/or service(s) described herein.

Company: Forte Payment Systems, Inc.

<b>Contact Person:</b>	<b>Phone:</b>	<b>Email:</b>
Linnay Zazueta	866.290.5400 ext. 701	linnay.zazueta@forte.net

Project Description: Payment gateway services

This is a request for:

New Contract

Amendment / Modification

Contract Type

Type of Modification

Blanket Agreement Term: \_\_\_\_ (# of mo)

Time Extension  Vendor Limit Increase  Scope Change

Standard Agreement

Contract Number: 17560

Specification Number: 51810

Modification Number: 2

<b>Department Request Approval</b>	<b>Recommended Approval</b>
<i>Erin Keane</i>	<i>Rich Butler</i>
DEPARTMENT HEAD OR DESIGNEE	BOARD CHAIRPERSON
<u>ERIN KEANE</u>	<u>Rich Butler</u>
PRINT NAME	PRINT NAME
<i>07/27/17</i>	<i>7-7-17</i>
DATE	DATE

(FOR NCRB USE ONLY)

Recommend Approval/Date: 7-7-17

Return to Department/Date: \_\_\_\_\_

Rejected/Date: \_\_\_\_\_

*SN 6/30/17*

Approved  Rejected

*[Signature]*

CHIEF PROCUREMENT OFFICER

*7/21/17*

DATE



**DEPARTMENT OF PROCUREMENT SERVICES  
NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION  
JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT WORKSHEET**

All applicable information on this worksheet must be addressed using each question found on the "Instructions for Non-Competitive Procurement Application" in this application.

**Justification for Non-Competitive Procurement Worksheet**

**PROCUREMENT HISTORY**

In December 2004, the Department of Revenue (before its merge into the Department of Finance) issued an RFQ(RFP) (Specification No. 22215), in order to solicit "Check Processing Services".

In January 2006, the Chief Procurement Officer recommended that this requirement be brought forth to the Sole Source Board since the attempts to solicit these services were unsuccessful and did not result in a contract.

In October 2006, the NCRB approved pursuing a contract with ACH Direct, Inc.

In May 2007, the NCRB approved an amendment to the ACH Direct scope for the addition of processing online check payments.

On June 25, 2008, the contract was awarded on this date, to ACH Direct, Inc., under PO# 17560, with a 5+3 year term.

-Continued-

**ESTIMATED COST**

The estimated annual cost is \$247,842.44 per year.

DoF requests an estimated PO vendor limit increase in the amount of \$276,112.00, estimated as the amount that may be needed to cover the 12-month extension period, ending 6/24/2018, to complete the replacement contract process.

Attached by reference is the OBM Approval Form and VLI calculation worksheet.

-Continued-

**SCHEDULE REQUIREMENTS**

The current 6/24/2017 contract end date is to be extended for at least an additional 12-month period, in order to sustain uninterrupted payment transaction and related services from the Vendor, while providing additional time to complete the replacement contract process.

-Continued-

**EXCLUSIVE OR UNIQUE CAPABILITY**

1. Only the current Vendor has the online Payments Gateway infrastructure available via the existing contract and is willing and able to provide uninterrupted services as proposed in this extension request. Customized software development and integrations into the City systems required for the payments gateway operations, currently only exists with this Vendor. Their continued involvement is needed to sustain the processing of over \$675 million dollars in annual revenue payments.

(Continued)

**OTHER**

1. Payment gateway services were implemented with the goal being to process electronic check (ACH) payments, check and ACH bank verification, and check conversion services. These services have, thus far, supported the City in its ability to realize over \$3.2 billion of payments to the City.



# DEPARTMENT OF PROCUREMENT SERVICES NON-COMPETITIVE REVIEW BOARD (NCRB) APPLICATION INSTRUCTIONS FOR NON-COMPETITIVE PROCUREMENT APPLICATION

## INSTRUCTIONS FOR PREPARATION OF NON-COMPETITIVE PROCUREMENT APPLICATION

If a City Department has determined that the purchase of supplies, equipment, work and/or services cannot be done on a competitive basis, a justification must be prepared on this "Justification for Non-Competitive Procurement Application" in which procurement is requested on a or non-competitive basis in accordance with 65 ILCS 5/8-10-4 of the Illinois Compiled Statutes. Using this instruction sheet, all applicable information must be addressed on the worksheet. The information provided must be complete and in sufficient detail to allow for a decision to be made by the Non-Competitive Procurement Review Board. For Amendments, Modifications, describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change.

Attach a DPS Checklist and any other required documentation; the Board will not consider justification with incomplete information documentation or omissions.

### PROCUREMENT HISTORY

1. Describe the requirement and how it evolved from initial planning to its present status.
2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.
3. Explain attempts made to competitively bid the requirement (attach copy of sources contacted).
4. Describe in detail all research done to find other sources; list other cities, companies in the industry, professional organizations contacted. List periodicals and other publications used as references.
5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?
6. Explain whether or not future competitive bidding is possible. If not, explain in detail.

### ESTIMATED COST

1. What is the estimated cost for this requirement or for each contract, if multiple awards are contemplated? What is the funding source?
2. What is the estimated cost by fiscal year?
3. Explain the basis for estimating the cost and what assumptions were made and/or data used (i.e., budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc.)
4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered. Describe cost savings or other measurable benefits to the City which may be achieved.
5. Explain what negotiation of price has occurred or will occur. Detail why the estimated cost is deemed reasonable.

### SCHEDULE REQUIREMENTS

1. Explain how the schedule was developed and at what point the specific dates were known.
2. Is lack of drawings and/or specifications a constraining factor to competitive bidding? If so, why is the proposed Contractor the only person or firm able to perform under these circumstances? Why are the drawings and specifications lacking? What is the lead time required to get drawings and specifications suitable for competition? If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.
3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.
4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.

### EXCLUSIVE OR UNIQUE CAPABILITY

1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, and/or other factors make this person or firm exclusively or uniquely qualified for the project. Attach a copy of the cost proposal, scope of services, and **Temporary Consulting Services Form**.
2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?
3. What prior experiences of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?
4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?
5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?
6. If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, possess. Is compatibility with existing equipment critical from an operational standpoint? If so, provide detailed explanation?
7. Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data (attach documentation verifying such)?
8. If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources? If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center? If so, attach letter from manufacturer on company letterhead.

### MBE/WBE COMPLIANCE PLAN

- \* All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a completed C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site. The City Department must submit a Compliance Plan, including details about direct and indirect compliance.

### OTHER

1. Explain other related considerations and attach all applicable supporting documents, i.e., an approved "ITGB Form" or "Request For Individual Hire Form".

### REVIEW AND APPROVAL

**This application must be signed by both Originator of the request and signed by the Department Head. After review and final disposition from the Board, this application will be signed by the Board Chairman. After review and final disposition from the Board, this form will be presented to the Chief Procurement Officer recommending approval.**

**PROCUREMENT HISTORY** - continued from the NCRB Justification cover page-

In April 2013, ACH Direct Inc., underwent a name change (only) maintaining its original PO# 17560, changing its name to Forte Payment Systems, Inc. (herein "Vendor").

In June 2013, the City exercised the unilateral contract extension option provision, which allowed for up to three extension years, thereby extending the contract for all three years, ending 6/24/2016.

In July 2016, the NCRB approved a one year extension period, with an option for an additional one year extension, to provide time to replace this ACH Direct contract and implement services.

**1. Describe the requirement and how it evolved from initial planning to its present status.**

The contract requires the Vendor to perform "check verification" services. This is a specialized service which enables the Vendor to verify whether or not a bank account from which a check payment has been presented is open, valid and does not have reported returned payment activity in their database. Since the Vendor's online "Payments Gateway" Internet platform was first implemented to process payments for the City, over 1.9 million verifications and or payment transactions have been executed at a cost to the City in the amount of \$765,000. Those Payment Gateway transactions, however, have yielded approximately \$3.2 billion in revenue.

Additionally, the Vendor's check conversion services have allowed for the conversion of half of all returned checks not originally processed through their Payments Gateway. Of those converted checks, 70% are collected prior to the City having to perform normal returned payment processing and collection.

DoF submitted the RFP for Check Processing Services on Oct 27, 2016, Req #126147, Spec #245583.

**2. Is this a first time requirement or a continuation of previous procurement from the same source? If so, explain the procurement history.**

This procurement is a continuation of a previous procurement from the same Vendor, Forte Payment Systems.

**3. Explain attempts made to competitively bid the requirement. (Attach copy of sources contacted.)**

The new replacement services RFP for Check Processing Services was submitted to DPS on Oct. 27, 2016, Req #126147, Spec #245583. The Department initially preferred to pursue the new Payment Portal RFP concept to determine its effect on the need for these payment services.

**4. Describe in detail all research done to find other sources list other cities, companies in the industry, professional organizations contacted. List periodicals and other publications used as references.**

Other payments gateway services, electronic check (ACH) payment processing, check and ACH bank verification, and check conversion are available in the marketplace today, so other vendors could probably be used to perform the same functions required by the City. However, the current Vendor has proprietary interfaces and software that is installed on their proprietary equipment to process payments today. Accordingly, the current Vendor is the only one capable of continuing to process transactions while a replacement technological approach is pursued, developed and implemented.

**5. Explain future procurement objectives. Is this a one-time request or will future requests be made for doing business with the same source?**

This request includes a Vendor Limit Increase to cover the one 12-month extension to continue Vendor services, until a replacement contract can be awarded via the publically advertised RFP.

**6. Explain whether or not future competitive bidding is possible. If not, explain in detail**

Competitive bidding in the future is possible and is currently being pursued.

The new replacement RFP for Check Processing Services was submitted to DPS on Oct. 27, 2016, Req #126147, Spec #245583.

The current payments gateway services contract must continue to be sustained and supported, in order to provide valued revenue processing services.

**ESTIMATED COST** - continued from the NCRB Justification cover page-

**1. What is the estimated cost for this requirement or for each contract, if multiple awards contemplated?**

As indicated in the NCRB Justification cover page, the estimated annual cost is \$247,842.44.

The July 2016 NCRB request included price reductions which became effective during the extension period starting in July 2016.

**What is the funding source?**

017-100-27-2020-0140-0140

**2. What is the estimated cost by fiscal year?**

The estimated annual cost is \$247,842.44.

**3. Explain the basis for estimating the cost and what assumptions were made and/or data used (i.e., budgeted amount, previous contract price, current catalog or cost proposal from firms solicited, engineering or in-house estimate, etc.).**

Cost estimates were based on actual historic usage figures and anticipated price reductions.

**4. Explain whether the proposed Contractor or the City has a substantial dollar investment in original design, tooling or other factors which would be duplicated at City expense if another source was considered.**

The initial implementation and the more recent check conversion implementation of Payment Gateway services was a new venture, and required a substantial amount of Vendor investment, time, and human resources in order to develop the transaction interface to City systems and implement go-live. None of this development work was done at the expense of the City. Installation coordination (with DoIT), interface and testing of links into the City's existing cashing system, and the coordination of processes involving the City's ACH check processing, etc., required a substantial investment of time and effort.

**Describe cost savings or other measurable benefits to the City which may be achieved.**

The original schedule of compensation included an ACH Gateway Fee of \$0.05 and a verification fee of \$0.24, both per transaction. Effective July 2016, *Forte Payment Systems* reduced the ACH Gateway fee to \$0.03 and the verification fee to \$0.22 per transaction; just over an 40% and 8% reduction, respectively.

**5. Explain what negotiations of price has occurred or will occur.**

The original schedule of compensation included an ACH Gateway Fee of \$0.05 and a verification fee of \$0.24, both per transaction. Effective July 2016, *Forte Payment Systems* reduced the ACH Gateway fee to \$0.03 and the verification fee to \$0.22 per transaction; just over an 40% and 8% reduction, respectively..

**Detail why the estimated cost is deemed reasonable.**

Considering that the contract is due to expire when the City does not have a substitution that could immediately fill the void should the Vendor elect to cease services, the Vendor could have leveraged this condition to its advantage by keeping pricing and other performance measures static. However, the Vendor implemented a price reduction without any conditional change, other than the contract extension.

**SCHEDULE REQUIREMENTS** - continued from the NCRB Justification cover page-

**1. Explain how the schedule was developed and at what point the specific dates were known.**

For the past three years and in the foreseeable future, there has been no discussion nor an anticipation concerning any type of "schedule" that is or has been developed or otherwise contemplated between the Vendor and the City – other than the more recent discussion concerning the business need for the continuation of uninterrupted services via a contract amendment process.

**2. Is lack of drawings and/or specifications a constraining factor to competitive bidding?**

No. Competitive bidding is possible in the near future. As indicated earlier, the scope of services that are currently delivered by the Vendor, shall be solicited through the Department of Procurement Services as a publically advertised RFP.

**If so, why is the proposed Contractor the only person or firm able to perform under these circumstances?**

Drawings and/or specifications are not an issue.

**Why are the drawings and specifications lacking?**

Drawings and/or specifications are not an issue.

**What is the lead-time required to get drawings and specifications suitable for competition?**

Drawings and/or specifications are not an issue.

**If lack of drawings and specifications is not a constraining factor to competitive bidding, explain why only one person or firm can meet the required schedule.**

Only the current Vendor can sustain the existing Payments Gateway services required during the extension period. The Payments Gateway operations currently only exist with this Vendor through their customized software that has been developed, integrated and approved to be compatible with the City systems required for payment transactions to be executed without interruption.

**3. Outline the required schedule by delivery or completion dates and explain the reasons why the schedule is critical.**

No "schedule-by" or "completion dates" or stand-alone type projects are contingent upon reasons for selecting this Vendor. The only schedule-related factors that relate to this request are the current contract expiration date (scheduled to expire on June 24, 2017) and the new replacement RFP for Check Processing Services was submitted to DPS on Oct. 27, 2016, Req #126147, Spec #245583 (which is scheduled to be advertised for a new contract award and implementation date before the extension date expires).

**4. Describe in detail what impact delays for competitive bidding would have on City operations, programs, costs and budgeted funds.**

Delays in competitive bidding (via an RFP) would potentially result in lost opportunities to process additional payments through a new payments gateway at reduced costs. The new services contract could, potentially, provide the City with opportunities to reorganize, reduce overhead, or better manage payment services and other related costs.

**EXCLUSIVE OR UNIQUE CAPABILITY** - continued from the NCRB Justification cover page-

**1. If contemplating hiring a person or firm as a Professional Service Consultant, explain in detail what professional skills, expertise, qualifications, and/or other factors make this person or firm exclusively or uniquely qualified for the project.**

There is no intent and there are no plans for hiring any new entity, individual, or professional service being contemplated in this request – only the extension of the existing Vendor's contract to sustain uninterrupted services.

**Attach a copy of the cost proposal, scope of services, and Temporary Consulting Services Form.**

The Temporary Consulting Services form is not applicable.

Please see attached excerpts of original scope and current compensation schedule labeled and signed as follows: "No Change in Original Contract Scope".

**2. Does the proposed firm have personnel considered unquestionably predominant in the particular field?**

No.

**3. What prior experiences of a highly specialized nature does the person or firm exclusively possess that is vital to the job, project or program?**

Only the current Vendor manages the existing customized software that has been developed, integrated and approved to be compatible with the City systems required for payment transactions to be executed without interruption.

**4. What technical facilities or test equipment does the person or firm exclusively possess of a highly specialized nature which is vital to the job?**

Only the current Vendor operates the network that has been integrated and approved as compatible with the City systems required for payment transactions to be executed without interruption.

**5. What other capabilities and/or capacity does the proposed firm possess which is necessary for the specific job, project or program which makes them the only source who can perform the work within the required time schedule without unreasonable costs to the City?**

The years of professionalism, expertise, and responsiveness experienced throughout the years, from inception through current day relationships, as well as the confidence in meeting the deliverables without problem or breach, is a quality possessed by the Vendor and provided to the City by the Vendor, and a service expectation to be sustained without interruption.

6. **If procuring products or equipment, describe the intended use and explain any exclusive or unique capabilities, features and/or functions the items have which no other brands or models, possess.**

Not applicable.

**Is compatibility with existing equipment critical from an operational standpoint?**

Yes.

**If so, provide detailed explanation?**

Compatibility with the City's existing payment network is essential. The interface of web, kiosk, and payment site stations through the Department's cashiering system to the Vendor's payments gateway is a critical requirement.

7. **Is competition precluded because of the existence of patent rights, copyrights, trade secrets, technical data, or other proprietary data (attach documentation verifying such)?**

Not applicable.

8. **If procuring replacement parts and/or maintenance services, explain whether or not replacement parts and/or services can be obtained from any other sources.**

Maintenance is provided by the Vendor under the terms of the contract at no additional cost, as part of the current contract. All costs are included in the per-transaction cost.

**If not, is the proposed firm the only authorized or exclusive dealer/distributor and/or service center?**

Not applicable.

**If so, attach letter from manufacturer.**

Not applicable.

#### **MBE/WBE COMPLIANCE PLAN**

- \* **All submissions must contain detailed information about how the proposed firm will comply with the requirements of the City's Minority and Women Owned Business program. All submissions must include a completed C-1 and D-1 form, which is available on the Procurement Services page on the City's intranet site. The City Department must submit a Compliance Plan, including details about direct and indirect compliance.**

In July 2016, a request for a 12-month extension ending 6/24/2017, was submitted. At that time, the Vendor requested a 16.9% MBE and 4.5% WBE full waiver request, which DOF concurred with. However, Procurement denied the Vendor's 16.9% MBE waiver (since Forte would have exceeded their MBE goal, at the time) and Procurement reduced the WBE burden from 4.5% to 2.0% (which would have resulted in Forte exceeding their WBE goal, at the time).

For this current request for a 12-month extension ending 6/24/2018, the Vendor is hereby requesting a 16.9% MBE waiver and a 2.0% WBE waiver, which DOF concurs with. Whereas the Vendor has thus far met its full compliance obligations, the City realizes that those efforts were met via indirect compliance. The Vendor's full waiver request, DOF's concurrence, and Compliance's response are attached here, by reference.

**OTHER** -continued from the NCRB Justification cover page-

1. **Explain other related considerations and attach all applicable supporting documents, i.e., an approved "ITGB Form" or "Request for Individual Hire Form".**

See attached scope of service and pricing.

#### **REVIEW AND APPROVAL**

This application must be signed by both Originator of the request and signed by the Department Head. After review and final disposition from the Board, this form will be presented to the Chief Procurement Officer recommending approval.



DEPARTMENT OF FINANCE  
CITY OF CHICAGO

June 21, 2017

To: Jamie L. Rhee  
Chief Procurement Officer

Attention: Richard Butler  
Non-Competitive Review Board (NCRB), Chairman

From:

Erin Keane  
City Comptroller

Subject: **Forte Payment Systems, Inc.**  
NCRB Conditional Approval of \$276,112 VLI including 12-month extension (from 6/24/2017 through 6/24/2018)

Source Req. 140172    Specification 51810    PO 17560



On Tuesday, June 13, 2017, the Non-Competitive Review Board (NCRB) met with Department of Finance (DOF) staff to review the application made by DOF for a Vendor Limit Increase (VLI) in the amount of \$276,112 for the above referenced contract. Although an additional 12-month extension period had been approved by the NCRB in July 2016 for the period of June 24, 2017 through June 24, 2018, the \$276,112 VLI for that period still required NCRB approval. This VLI was requested in order to cover anticipated estimated costs through the 12-month extension period.

At the conclusion of the June 13, 2017 NCRB meeting, the NCRB acknowledged the previous approval of the 12-month extension option, but conditionally approved the VLI in the requested amount of \$276,112. The NCRB approval was made contingent upon the NCRB Chairman's receipt of the following five items from DOF:

- Item # 1 An MBE/WBE Compliance Full Waiver memo from the Department of Procurement Services' (DPS) Deputy Procurement Officer indicating approval of the vendor's full waiver request per DOF's concurrence with that waiver, submitted to DPS Compliance Deputy on March 17, 2017;
- Item # 2 A current Economic Disclosure Statement (EDS) certificate of filing from the vendor;
- Item # 3 A revised NCRB cover-form page having no check-mark executed in the "Blanket Agreement" check-box;
- Item # 4 A revised page 3 of 4 of the NCRB application form, omitting a typographical error on page 3;
- Item # 5 An explanation clarifying what period and what dollar amounts are associated with the words "Amendment 2" as written by DPS in DPS' letter dated March 30, 2017 to Mr. Jeff Kump of Forte (copy attached).

*Forte Payment Systems, Inc.*  
post-NCRB submittals  
pg. 1 of 2



Items 1 and 5 require a written explanation which is addressed in the narrative that follows below:

Item # 1: DOF requested DPS Compliance Deputy Procurement Officer to provide a copy of the MBE/WBE Compliance Full Waiver approval memo. The Deputy's response was as follows: "*It is not the practice of [the] compliance unit to send a memo to the user department regarding an approved or denied waiver request, it is a direct correspondence between DPS, Compliance and the vendor.*" However, a copy of DPS' direct correspondence was submitted by DOF to the NCRB in the submittal package, and is also attached here for convenience.

Item # 5: Although the words "Amendment 2" were authored by DPS, DOF considers "Amendment 2" to refer to the second amendment made to the Agreement in accordance with Article 10.3 Amendments. Amendment 2 was processed by DPS for the extension of the Agreement for the period from June 24, 2017 through June 24, 2018, and included a VLI in the amount of \$276,112.

Items 2, 3, and 4 require a response in the form of attachments which shall be provided herein as Exhibits I, II, and III, respectively.

Exhibit I - Updated EDS certificate of filing

Exhibit II - A revised NCRB page 3 of 4 which corrects the one typo (redlined and clean versions attached)

Exhibit III - A new NCRB cover page having no check-mark indicated in the "Blanket Agreement" check-box

#### Attachments

EK:sys

cc: Colleen Twohig – Department of Procurement Services  
Tina Consola – Department of Finance  
Richard Ponce – Department of Finance  
Steve Sakai – Department of Finance  
Teri Davis – Department of Finance

# Project Checklist

Attach required forms for each procurement type and detailed scope of services and/or specifications and forward original documents to the Chief Procurement Officer; City Hall, Room 806.

**Date:**  
March 14, 2017

**Department Name:**  
Finance

**Requisition No:** 140172      **Specification No:** 51810

**PO No:** 17560      **Modification No:**

**Contract Liaison:**  
Teri Davis

**Telephone:** 4-9080

**Email:** Teri.Davis@cityofchicago.org


**Project / Program Manager:**  
Richard Ponce

**Telephone:** 5-2892

**Email:** Richard.ponce@cityofchicago.org

For blanket agreements, original or lead department must consult with other potential departments who may want to participate on the blanket agreement. If grant funded, attach copy of the approved grant application and other terms and conditions of the funding source. Note: 1) Funding: Attach information if multiple funding lines; 2) Individual Contract Services: Include approval form signed by Department Head and OBM; 3) ITGB: IT project valued at \$100,000.00 or more, attach approval transmittal sheet.

*\*By signing this form, I attest that all information provided is true and accurate.*

**\*Contract Liaison Signature**  


**Project Title:**  
Check Processing Services

**Project Description:**  
12-Month Extension with VLI for Forte Payment Systems, Inc., ending 6/24/2018.

**Funding:**

<input checked="" type="checkbox"/> Corporate	<input type="checkbox"/> Bond	<input type="checkbox"/> Enterprise	<input type="checkbox"/> Grant	<input type="checkbox"/> Other:
<input type="checkbox"/> IDOT/Transit	<input type="checkbox"/> IDOT/Highway	<input type="checkbox"/> FHWA	<input type="checkbox"/> FTA	<input type="checkbox"/> FAA

LINE	FY	FUND	DEPT	ORGN	APPR	ACTV	PROJECT	RPTG	ESTDOLLAR AMOUNT
	017	0100	027	2020	0140	220140			\$276,112.00

**Check One:**

**New Contract Request**

*\*By signing below, I attest the estimates provided for this contract are true and accurate.*

**Project / Program Manager Signature**  


**Commissioner/Authorized Designee Signature**  


**Purchase Order Type:**

Blanket/Purchase Order (DUR)  
 Master Consultant Agreement (Task Order)  
 Standard/One-Time Purchase

**Procurement Method:**

Bid     RFP     RFQ     RFI  
 Small Order

**Special Approvals Required:**

Emergency  
 Non-Competitive Review Board (NCRB)  
 Request for Individual Contract Services  
 Information Technology Governance Board (ITGB)

**Purchase Order Information:**

**Contract Term (No. of Months):** 12

**Extension Options (Rate of Recurrence):** 1-Year

**Estimated Spend/Value:** \$ 276,112.00

**Grant Commitment / Expiration Date:**

**Pre-Bid/Submittal Conference:**  Yes     No  
 Mandatory     Site Visit

**Contract Type:**

Architect Engineering     Commodity     Construction     JOC     SBI  
 Professional Services     Revenue Generating     Vehicle & Heavy Equipment  
 Work Service     Joint Procurement     Reference Contract

**Modification or Amendment**

**Modification Information:**

PO Start Date: 6-25-2008

PO End Date: 6-24-2018

Amount (Increase/Reduction):

**MBE/WBE/DBE Analysis: (Attach MBE/WBE/DBE Goal Setting Memo)**

Full Compliance     Contract Specific Goals  
 No Stated Goals     Waiver Request

**Modification/Amendment Type:**

Time Extension     Scope Change/Price Increase /Additional Line Item(s)  
 Vendor Limit Increase     Requisition Encumbrance Adjustment  
 Other (specify):

**Risk Management / EDS**

Insurance Requirements (included)     Yes     No

EDS Certification of Filing (included)     Yes     No

**Vendor Info:**

Name: Forte Payment Systems

Contact: Tricia Lehman

Address: 500 W. Bethany Drive Suite 200 Allen, TX 75013

E-mail: tricia.lehman@forte.net

Phone: 866-290-5400 ext 789



April 17, 2017

VIA FED EX

City of Chicago – Department of Procurement Services  
Jamie L. Rhee, Chief Procurement Officer  
121 N. LaSalle Street, Suite 806  
Chicago, IL 60602

RE: Sole Source Request - Specification # 51810 PO # 17560

Dear Ms. Rhee,

The purpose of this letter is to request a 12-month extension of the Professional Services Agreement (“Agreement”) between the City of Chicago (“City”) and Forte Payment Systems, Inc. (“Forte” formerly known as ACH Direct, Inc.), dated June 25, 2008 and as amended on September 26, 2016.

Forte has served as the City’s exclusive and unique provider for ACH gateway and verification services since 2008 and desires to continue providing those services to the City. As such, Forte and the City have come to an agreement that all terms and conditions of the current existing Agreement will continue to govern the relationship between the parties thereto and Forte specifically hereby agrees to continue to fulfill all of its obligations to the City under the terms of the Agreement.

Forte is the only company able to sustain the below listed services created exclusively and uniquely for the City, during the extension period. Only Forte can manage its existing proprietary software that has been developed, integrated, tested, and approved to be compatible with and for the City systems. The listed services are required for payment transactions to be executed for the City without interruption during the extension period.

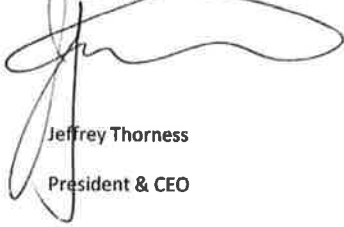
- Forte set up an ODFI relationship with Harris BMO solely to process the City’s ACH payments directly to their bank.
- Forte set up a special process to resubmit RCK items through our Virtual Terminal instead of our Direct Recovery product at the City’s request.
- Forte set up a special process to re-present returned ACH items to support the City’s reconciliation needs:
  - Forte set up “resubmit” MIDs and created a process where any returned ACH items are automatically resubmitted through the corresponding “resubmit” MID.
  - Forte made a change to our standard NSF return fee process – The City receives the entire fee charged to the customer, and then they pay us our portion on a monthly basis.
- Forte has worked with several of the City’s vendors to integrate with Forte on the City’s behalf.

500 Bethany Drive, Suite 200 | Allen, TX 75013 | 866.290.5400 | forte.net

- Forte manually creates a report every month to provide the City with return and Forte Verify results in the format that they have requested.
- Forte created a Data Explorer Job to provide the City with NSF return fee data on a weekly basis.

Thank you for your time and attention. We appreciate your business and look forward to continuing and growing our business relationship.

Sincerely,



Jeffrey Thorness  
President & CEO

Accepted and Agreed to:

CITY OF CHICAGO

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



April 17, 2017

**VIA FED EX**

City of Chicago – Department of Procurement Services  
Jamie L. Rhee, Chief Procurement Officer  
121 N. LaSalle Street, Suite 806  
Chicago, IL 60602


Through the terms of this letter, Forte Agrees to a continuation in pricing for the City as follows:

Gateway Fee: \$0.03 per transaction  
Verification Fee: \$0.22 per transaction

Please indicate your understanding and acceptance of the terms of this 12-month extension and Amendment to the Professional Services Agreement by providing your counter-signature below.

Thank you for your time and attention. We appreciate your business and look forward to continuing and growing our business relationship.

Sincerely,

  
Jeffrey Thorness  
President & CEO

Accepted and Agreed to:

CITY OF CHICAGO

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



DEPARTMENT OF FINANCE  
CITY OF CHICAGO



March 17, 2017

To: Jamie L. Rhee  
Chief Procurement Officer

Attention: Richard Butler  
Non-Competitive Review Board (NCRB), Chairman

From: Erin Keane  
Erin Keane  
City Comptroller

Subject: **NCRB Approval of a \$276,112 Vendor Limit Increase** (for *Forte Payment Systems, Inc.*)  
**Source Req. 140172 Specification 51810 PO 17560**  
Original Start Date: June 25, 2008 (name changed from *ACH Direct, Inc.*, on 4/2/2013)  
Original End Date: June 24, 2013  
Original Extension Options Available: Up to 3 years  
Current End Date: June 24, 2017

Contract End Date This Request: **June 24, 2018**  
Contract Description: Check Processing Services  
Revenue Generating Value: \$650,000,000 per year (approx.)

Dear Jamie:

The prior NCRB application for the above referenced contract was submitted in July 2016, requesting that the contract be amended to provide an additional 12-month extension ending 6/24/2017, along with a \$195,058.03 VLI. During the NCRB meeting, the board also approved the addition of a provision which would provide yet another "one-year extension option" which was written into the ensuing amendment (Amendment No. 1, change number 4). Amendment No.1 was executed and became effective on September 26<sup>th</sup>, 2016 (copy attached). This is a request to exercise the "one-year extension option" and increase the VLI.

Although the VLI amount submitted in the July 2016 NCRB request was approved, it was apparently not sufficient to cover the estimated costs through the additional "one-year extension option" period ending 6/24/2018. Therefore, this request is to request approval of an additional \$276,112 VLI (see attached VLI worksheet), and to additionally request the one-year extension option ending 6/24/2018 be exercised (or until a new contract is awarded; whichever comes first). The additional one-year extension option and VLI are both necessary in order to provide sufficient time for the new RFP to be advertised, evaluated, and a new contract awarded, as well as realize a successful operational transition and process-implementation with the new vendor.

Currently, the new/replacement RFP is in the early development phase with Procurement. Although DOF submitted its new RFP request package to Procurement on October 27, 2016, as of this writing the first draft of the

*Forte Payment Systems, Inc.*  
pg. 1 of 2

RFP has yet to be received for review by the Department of Law or DOF. However, it is anticipated that the first draft should be distributed for review before March 31, 2017.

Please approve the one-year extension option and VLI as attached. Both actions are essential in order to ensure no interruption in service to the public or the City involving the transmission of check-payment transactions provided through Forte's banking payments gateway. Thank you.

Attached, in support of this NCRB request, are the following:

- Source Requisition (attached by reference)
- DPS Project Checklist
- OBM Approval form
- Non-Competitive Procurement Justification cover page and support pages
- VLI Worksheet
- MBE/WBE Compliance (submitted to Compliance division on 3/14/2017)
- EDS Certificate of Completion print
- Insurance certificate
- Copies of current Scope (marked "No Change in Scope")
- Executed copy of Amendment No. 1

Please contact Steve Sakai, at 4-2894, if you require further information.

Attachments

EK:sys

cc: Tina Consola – Department of Finance  
Richard Ponce – Department of Finance  
Mark Galvan – Department of Finance  
Steve Sakai – Department of Finance  
Teri Davis – Department of Finance

**FORTE PAYMENT SYSTEMS  
VENDOR LIMIT INCREASE WORKSHEET  
AMENDMENT PERIOD  
06-25-17 To 06-24-18**

Existing Scope Cost		12 Month
	Vendor Cost	Cost
Aug-16	\$21,079.81	
Sep-16	\$20,149.52	
Oct-16	\$20,731.28	
	<u>\$61,960.61</u>	
Avg Monthly Amount	\$20,653.54	
Total Annual Cost		\$247,842.44
<b>Total Amendment Period Cost</b>		<b>\$247,842.44</b>

VLI Calculation	
<b>PO Balance as of 12-05-2016</b>	<b>\$177,839.53</b>
Projected Payments	
Sep-16	(\$20,149.52)
Oct-16	(\$20,731.28)
Nov-16	(\$20,653.54)
Dec-16	(\$20,653.54)
Jan-17	(\$20,653.54)
Feb-17	(\$20,653.54)
Mar-17	(\$20,653.54)
Apr-17	(\$20,653.54)
May-17	(\$20,653.54)
Jun-17	(\$20,653.54)
	<u>(\$206,109.09)</u>
Projected PO Balance 06-24-17	(\$28,269.56)
Projected Amendment Period Cost	<u>(\$247,842.44)</u>
<b>Shortfall</b>	<b><u>(\$276,112.00)</u></b>
<b>Total VLI</b>	
	<b>\$276,112.00</b>
Current Contract Limit	\$690,000.00
<b>New Contract Limit including VLI</b>	<b>\$966,112.00</b>



<b>Section I: General Contract Information</b>	
Department Name	Finance
Department Contact Name	Richard Ponce
Department Contact Number	312-745-2892
Department Contact Email	<a href="mailto:Richard.Ponce@cityofchicago.org">Richard.Ponce@cityofchicago.org</a>
Contract Number	17560
Contract Subject Name	Check Processing Services, Including Check Authorization and Electronic Check Conversion Services.  <b>Forte Payment Systems</b>
Contract Initiation Date	6-25-2008
Original Contract Amount	\$690,000.00
Original Contract Expiration Date	6-24-2013
Budgeted amount for current year	\$198,000
Year to date expenditure	\$781,816.50 {in FMPS as of 3-13-2017}
Are funds	<input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital <input type="checkbox"/> TIF <input type="checkbox"/> Grant
What is the funding strip?	017-0100-0272020-0140-220140
If contract modification or task request is approved, will department have enough funds to cover new expenditure?	Yes. Please note that funding for Year 2018 has not been approved and is yet to be determined. The department will have to request the appropriate funding in their Year 2018 budget request and funding is subject to the annual appropriation. Any 2017 shortfall will be addressed through salvaged funds.
If no, what is the plan to address the short fall?	N/A
<b>Section II: Contract Modifications</b>	
Complete this section if you are modifying the value of an existing contract.	
Contract Value Increase	\$276,112.00 (VLI for 12 months)
New total contract amount	\$885,058.03 (current contract amt in FMPS) + \$276,112.00 (VLI) = <b>\$1,161,170.03 (New contract amt).</b>

New contract expiration date	6-24-2018 (12 month xtn)
Goods/services provided by this contract	Check Processing Services, Check Authorization, and Electronic Check Conversion Services.
Justification of need to modify this contract	Increase Vendor Limit to cover anticipated costs through the 12-month contract extension through 6-24-2018.
Impact of denial	This is a revenue generating contract. Without it the City would not be able to accept verified checks as a form of payment.
<b>Section III. Issue a Request for Services to a Master Consulting Agreement</b>	
Complete this section if you want to issue a request for services to a Master Consulting Agreement	
Value of planned task order request	N/A
Expiration date of planned task order request	N/A
Scope of services	N/A
Justification of need to issue request for services	N/A
Impact of denial	N/A
<b>Section IV: Assessment of Office of Budget and Management Analyst</b>	
Approve/Deny	Reason
OBM Analyst Initials	<i>BR</i>
OBM Analyst Name/number	Bryant Robinson 312-744-9590



CERTIFICATE OF FILING FOR  
CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT

EDS Number: 112853

Date of This Filing:06/21/2017 02:10 PM

Certificate Printed on: 06/21/2017

Original Filing Date:06/21/2017 02:10 PM

Disclosing Party: Forte Payment Systems, Inc. Title:Chief Financial & Operating Officer  
Filed by: Jeff Kump

Matter: CHECK PROCESSING SERVICES,  
INCLUDING CHECK AUTHORIZATION  
AND ELECTRONIC CHECK CONVERSION  
SERVICES

Applicant: Forte Payment Systems, Inc.

Specification #: 51810

Contract #: 17560

The Economic Disclosure Statement referenced above has been electronically filed with the City. Please provide a copy of this Certificate of Filing to your city contact with other required documents pertaining to the Matter. For additional guidance as to when to provide this Certificate and other required documents, please follow instructions provided to you about the Matter or consult with your City contact.



DEPARTMENT OF PROCUREMENT SERVICES

CITY OF CHICAGO

MAR 30 2017

Mr. Jeff Kump  
Chief Financial and Operating Officer  
Forte Payment Systems, Inc.  
500 Bethany Drive, Suite 200  
Allen, TX 75013

Re: Request to Waive Minority and Women Owned Business Enterprise Goals  
Project: Check Processing Services, including Check Authorization and Electronic  
Check Conversion Services  
PO No.: 17560

Dear Mr. Kump:

I have reviewed your letter dated February 2, 2017, to request (a) waiver of the WBE goal for the life of the contract, and (b) waiver of the MBE and WBE goals for the term of the Amendment No. 2.

Based on the information provided, I approve your request to waive the 16.9% MBE and 4.5% WBE goals for the life of the contract, due to the specific costs associated with the specialized operation of the secure interfaces and processes that only apply to Forte Payment Systems, Inc.

I commend your commitment to the MBE and WBE program by identifying indirect opportunities available to MBEs and WBEs to partner with you based on your company's procurement needs.

If you have any questions regarding your MBE/WBE compliance plan, please contact Gabriel Rodriguez, Senior Compliance Officer at 312-744-2218 or via email at [Gabriel.Rodriguez2@cityofchicago.org](mailto:Gabriel.Rodriguez2@cityofchicago.org).

Sincerely,

  
Rich Butler  
First Deputy Procurement Officer

RB:gr

121 NORTH LASALLE STREET, ROOM 806, CHICAGO, ILLINOIS 60602





DEPARTMENT OF FINANCE  
CITY OF CHICAGO

March 14, 2017

To: Monica Jimenez  
Deputy Procurement Officer of the Certification/Compliance division

Attention: Richard Butler  
Non-Competitive Review Board (NCRB), Chairman

From: Erin Keane  
Erin Keane  
City Comptroller  
Department of Finance (DOF)

Subject: 16.9% MBE and 2.0%WBE Waiver for *Forte Payment Systems, Inc.* ("Forte")  
**Source Req. 140172 Specification 51810 PO 17560**  
Original Start Date: June 25, 2008 (name changed from *ACH Direct, Inc.*, on 4/2/2013)  
Original End Date: June 24, 2013  
Original Extension Options Available: Up to 3 years  
Current End Date: June 24, 2017

Contract End Date This Request: **June 24, 2018**  
**Vendor Limit Increase (VLI) Amount: \$276,112**  
Contract Description: Check Processing Services  
Revenue Generating Value: \$650,000,000 per year (approx.)

---

This memo is to support the second instance that Forte Payment Systems, Inc. is requesting a full MBE/WBE waiver. Both waiver requests relate to a Non-Competitive Review Board (NCRB) contract extension and VLI submittal. The first waiver request was made in July 2016 for a 12-month extension ending 6/24/2017. The second waiver request is the current subject matter being addressed here, for another 12-month extension and VLI submittal to the NCRB, ending 6/24/2018. DOF is again fully supporting Forte's full waiver request.

In reference to the first waiver request, please find attached copies of Forte's July 2016 16.9% MBE and 4.5% WBE full waiver request including DOF's concurrence memo ([Attachment A](#)). Also attached is Procurement's response to their request ([Attachment B](#)). Based on the \$195,058.03 VLI which went in tandem with the 12-month extension ending 6/24/2017, Procurement's response was two-fold: (i) deny the 16.9% MBE waiver (since Forte would have exceeded their MBE goal, at the time) and (ii) reduce the WBE burden from 4.5% to 2.0% (which would have resulted in Forte exceeding their WBE goal, at the time).

Forte's current waiver request letter ([Attachment C](#)) and DOF's concurrence are made in connection with the contract extension request to be submitted by DOF to the NCRB for its April 11, 2017 meeting. The NCRB submittal will seek approval for an additional 12-month contract extension ending 6/24/2018, as well as a VLI in the

*Forte Payment Systems, Inc.*  
pg. 1 of 2

amount of \$276,112. (The new/replacement RFP is currently being developed by Procurement pursuant to DOF's request submitted to Procurement on October 27, 2016.)

The additional 12-month extension shall again have no change in Scope, and shall again sustain the 8-1/3% contract price reduction from \$0.24 to \$0.22 per the *ATM-Verify Transaction* line item.

Forte provides the City banking related services such as check verification, check conversion and ACH processing, commonly referred to as electronic check processing. The Federal Reserve Bank and the National Automated Clearing House Association (NACHA) jointly impose highly restrictive and secure rules governing the banking community regarding the processing of financial information. Forte is a member of the banking community and is required to stringently comply with these substantial rules in the processing of the City's payment information.

Forte has access to banking networks to perform check verification services, determining that bank account information provided to the City during the payment process is valid. Verified ACH payments are packaged according to NACHA rules and deposited into City bank accounts. Unlike paper check redeposit services provided by banks for returned payments, Forte has the ability to re-present ACH returned items in a managed approach resulting in a significant increase in the success of collecting returned payments. Forte provides check conversion services by taking the City's returned paper check payments, deposited through non-Forte processes, and converting them into ACH payments. Forte then has the ability to extend the collection success of re-presenting ACH items to returned paper checks.

Financial information is exchanged between the City and Forte through secure interfaces that were established with the initial implementation of services. Forte accepts and processes the financial information in their secure environment, while interacting with various banking partners. A third party cannot be inserted into their secure process, and the process cannot be fragmented in an effort to subcontract financial processing.

Due to the nature of these financial services, Forte has no direct opportunity and cannot comply with MBE/WBE requirements. At the execution of the first Forte contract, indirect MBE/WBE compliance was achieved via large purchases of commodities from MBE/WBE vendors. However, requiring this non-local company from Allen, Texas to procure additional commodities or services specifically from an MBE or WBE within the Chicagoland area as an indirect purchase is not reasonable.

Because Forte has exhibited good faith efforts to comply with the MBE/WBE program, and since direct compliance is not possible and indirect compliance does not align with the intent and spirit of the program, DOF is requesting that a full waiver from MBE and WBE requirements be granted for the extension period ending 6/24/2018.<sup>1</sup> Please contact me at 744-2887 if you require further information.

Attachments

EK:sys

cc: Colleen Twohig – Department of Procurement Services  
Tina Consola – Department of Finance  
Richard Ponce – Department of Finance  
Mark Galvan – Department of Finance  
Steve Sakai – Department of Finance  
Teri Davis – Department of Finance

---

<sup>1</sup> The current contract value is \$885,058.03. The new contract value after the \$276,112 VLI is added is: \$1,161,170.03. When the contract was awarded, Forte had made purchases of various computer equipment from an MBE and WBE in the respective amounts of \$169,935.00 and \$14,802.22, and no purchases since then. Relative to the new contract value of \$1,161,170.03, those purchases translate into 14.635% MBE compliance for a 2.3% MBE shortfall; and 1.275% WBE compliance for a 0.73% WBE shortfall.

### Compliance Audit: Audit Summary for Total Contract

Main View Settings Subs Docs Change Orders & Task Orders Alerts Comments Messages Closeout  
 Compliance Audit List **Compliance Audit Summary** Compliance Audit FY Reviews Site Visits Reports

**17560: CHECK PROCESSING SERVICES, INCLUDING CHECK AUTHORIZATION AND ELECTRONIC CHECK CONVERSION SERVICES**  
 Prime: Forte Payment Systems  
 6/25/2008 - 6/24/2017

Status: **Open**  
 Current Award: **\$690,000**  
 Total Paid: **\$754,879**  
 Goal: **18.90%**  
 % Credit: **24.47%**  
 For Credit: **\$184,737**

### Audit Summary - Total Contract

	Current Award	Award Percent	Payments	Payments Percent	Difference (Payments - Award)
Prime Contract	\$690,000.00		\$754,878.73		
For Credit (2 subs)	\$130,410.00	18.900%	\$184,737.22	24.472%	5.572% above goal
For Credit to ACDBE Goal	\$0.00	0.000%	\$0.00	0.000%	Goal matched
For Credit to BEPD Goal	\$0.00	0.000%	\$0.00	0.000%	Goal matched
For Credit to DBE Goal	\$0.00	0.000%	\$0.00	0.000%	Goal matched
For Credit to MBE Goal (1 sub)	\$116,610.00	16.900%	\$169,935.00	22.512%	5.612% above goal
For Credit to SBE Goal	\$0.00	0.000%	\$0.00	0.000%	Goal matched
For Credit to WBE Goal (1 sub)	\$13,800.00	2.000%	\$14,802.22	1.961%	0.039% below goal
Contract Progress		109%			
For Credit Progress		142%			

Award values may not match due to differences between overall contract goal and subcontractor assignments.

Not Meeting Goal Letter

### Prime Contractor - Total Contract

Prime Contractor	Cert	Inc in Goal	Contracted % Paid %	Paid TO Prime Prime's Share
<b>Forte Payment Systems</b> SHANNON SMITH Accounting@forte.net P 866-290-5400 Ext. 795, F 469-675-8736	No	No	78.60% 75.53%	\$754,879 \$570,142

### Subcontractors - Total Contract (2 subcontractors)

Subcontractor	Cert	Type	Inc in Goal	Contracted % Paid %	Contracted \$ Paid \$	For Credit \$
<b>1 Computer Products &amp; Supplies International, Inc.</b> Barbara Conti barb@cpsi2.com P 815-301-4120, F 815-301-4121 <i>Incl next</i>	✓	Sub	100% WBE	4.50% 1.96%	\$31,050 \$14,802	\$14,802 ✓
<b>1 JJC Group, Inc.</b> Margaret M Gadbois mgadbois@jjcgrp.com P 630-226-5800, F 630-226-5808 <i>Incl next</i>	✓	Sub	100% MBE	16.90% 22.51%	\$116,610 \$169,935	\$169,935 ✓

[Customer Support](#)

[Home](#) | [Help](#) | [Print This Page](#) | [Print To PDF](#) | [Save To PDF](#)



June 24, 2016

City of Chicago - Department of Procurement Services  
Jamie L. Rhee  
Chief Procurement Officer  
121 N. LaSalle Street - Suite 806  
Chicago, IL 60602

RE: Forte MBE/WBE Waiver Request

Dear Ms. Rhee,

The purpose of this letter is to address the MBE/WBE requirements under the Professional Services Agreement (PO# 17560), dated June 25, 2008 between Forte Payment Systems, Inc. (formerly ACH Direct, Inc.) and the City of Chicago. We would appreciate your consideration in working with us to review the existing requirements and assessing how they can be managed going forward, insofar as the additional extension period is concerned (ending 6/24/2017).

The current agreement between Forte Payment Systems and The City of Chicago includes a requirement that all vendors contracting with the City buy/invest ~16.9% of the proceeds paid to an MBE and ~4.5% to a WBE. Forte has met the MBE requirement by making a substantial purchase at the onset of the agreement, above the required percentage, allowing for this requirement to be met through the term of the agreement. That one-time purchase, at the time, was credited as an "indirect" purchase (for equipment and toner, etc.) in an effort solely to meet the MBE goals.

Forte is requesting that the City grant us a waiver for the WBE requirement under the original term of the agreement and a waiver for both the MBE and WBE requirement through the extension term for the following reasons:

- Forte does not sub-contract services: all services provided to the City are managed within our organization.
- Forte has existing vendor contracts in place for purchasing commodities locally, here in Texas, and therefore it would be impractical for us to commit to making such purchases from vendors in the Chicagoland area.
- Forte is reducing its compensation ("fees that Chicago pays Forte) during the additional extension period.

Please indicate your understanding and acceptance of the terms of this Amendment to the Professional Services Agreement by providing your counter-signature below.

Thank you for your time and attention. We appreciate your business and look forward to continuing and growing our business relationship.

cc: City Comptroller

Sincerely,

  
Jeffrey Thorness  
Chief Executive Officer

Accepted and Agreed to:

CITY OF CHICAGO

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_






DEPARTMENT OF FINANCE  
CITY OF CHICAGO

July 7, 2016

To: **Monica Jimenez**  
Deputy Procurement Officer of the Certification/Compliance division

Attention: **Richard Butler**  
Non-Competitive Review Board (NCRB), Chairman

From:   
**Erin Keane**  
City Comptroller  
Department of Finance (DOF)

Subject: 16.9% MBE and 4.5% WBE Waiver for *Forte Payment Systems, Inc.* ("Forte")  
Source Req. 116901 (unapproved) Specification 51810 PO 17560  
Original Start Date (if applicable): June 25, 2008 (name changed from *ACH Direct, Inc.*, on 4/2/2013)  
Original End Date (if applicable): June 24, 1013  
Current End Date (if applicable): June 24, 2017 (pending execution of Amendment)  
Original Extension Options Available: Up to 3 years  
Contract Description: Check Processing Services  
Revenue Generating Value: \$650,000,000 per year (approx.)

Dear Monica:

This is an MBE/WBE waiver concurrence letter submitted by DOF in response to the MBE/WBE full waiver request submitted by *Forte Payment Systems, Inc.* (attached).

Forte's waiver request letter and DOF's concurrence letter are made in connection with a contract extension request submitted by DOF to the Non-Competitive Review Board (NCRB) in June 2016. The NCRB submittal was to seek NCRB approval for an additional 12-month contract extension as well as a VLI in the amount of \$195,058.03. The extension shall have no change in Scope, but it does include a contract price reduction from \$0.24 to \$0.22 per ATM-Verify Transaction; an 8-1/3% reduction to be realized during the extension period.

Back in 2008, when the contract was first approved by the NCRB to be drafted, Forte (formerly known as *ACH Direct, Inc.*) was required to comply with the City's MBE/WBE requirements. At that time, Forte was encouraged to commit to purchasing commodities and/or services that would meet the 16.9% MBE and 4.5% WBE goals, through direct or indirect means. In a good faith effort to meet those requirements, Forte engaged *JJC Group, Inc.* as their MBE and *Computer Products & Supplies* as their WBE, thereby meeting the 16.9% and 4.5% MBE/WBE goals, albeit on an indirect basis, by purchasing computer related supplies (e.g., PCs, printer, toner, etc.).

*Forte Payment Systems, Inc.*  
pg. 1 of 2

121 NORTH LASALLE STREET, SUITE 700, CHICAGO, ILLINOIS 60602

Although *JJC Group* (Forte's MBE) is no longer certified, Procurement's *Certification and Compliance System (C2)* reporting tool indicates that Forte not only met their 16.9% MBE goal at the time, but they have exceeded the MBE goal by over 15%; although Forte is approximately 1.66% below their 4.5% WBE goal. In February of 2016, Steve Sakai contacted the President of JJC Group (Margaret). At that time, Margaret confirmed doing business with Forte several years ago, but she expressed that she was no longer interested in pursuing certification by the City of Chicago. She also said that she had ruled-out considering certification through Cook County's program as well.

DOF supports Forte's current MBE/WBE waiver request primarily because none of the contracted services are subject to direct compliance and the nature of their scope of services precludes any direct subcontracting opportunities. The services that Forte provides the City are performed online and in-house using Forte systems and Forte personnel which meet federal banking security requirements. Basically, the services Forte provides the City is to minimize the incidence of the City accepting a check with insufficient funds.

Because Forte has exhibited good faith efforts to comply with the spirit of the MBE/WBE program, especially when the contract was first awarded and has exceeded the MBE goals to date, DOF is now requesting this revenue generating contract with Forte, which shall also provide a price reduction during the extension period, be granted the waiver of the MBE and WBE portions of this contract as described above, and as requested by Forte as attached.

Please contact me at 744-2887 if you require further information.

Attachments

EK:sys

cc: Colleen Twohig – Department of Procurement Services  
Tina Consola – Department of Finance  
Richard Ponce – Department of Finance  
Mark Galvan – Department of Finance  
Steve Sakai – Department of Finance  
Teri Davis – Department of Finance



ATTACHMENT B  
P 132

DEPARTMENT OF PROCUREMENT SERVICES

CITY OF CHICAGO

SEP 09 2016

Mr. Jeffrey Thorness  
Chief Executive Officer  
Forte Payments Systems, Inc.  
500 Bethany Drive, Suite 200  
Allen, TX 75013

Re: Request to Waive Minority and Women Owned Business Enterprise Goals  
Project: Check Processing Services, Including Check Authorization and Electronic Check  
Conversion Services  
PO No.: 17560

Dear Mr. Thorness:

I have reviewed your letter dated June 24, 2016, to request (a) waiver of the WBE goal for the life of the contract, and (b) waiver of the MBE and WBE goals for the term of the Amendment No. 1, which was granted on July 12, 2016.

- a. Forte Payments Systems, Inc. is currently trending its MBE participation above the required 16.9% contract goal. With a Vendor Limit Increase of \$195,059.03, the firm would still have exceeded its MBE goal commitment. For this reason, no MBE goals waiver is needed.
- b. I am denying the WBE commitment waiver, as requested. However, based on your current WBE trend (2.608%), I approve a reduction of WBE commitment from 4.5% to 2%, based on the indirect spent with Computer Products & Supplies International, Inc.

I commend your commitment to the MBE/WBE program by identifying indirect opportunities available to MBEs and WBEs to partner with you based on your company's procurement needs.

If you have any questions regarding your MBE/WBE compliance plan, please contact Gabriel Rodriguez, Senior Compliance Officer at 312-744-2218 or via email at [Gabriel.Rodriguez2@cityofchicago.org](mailto:Gabriel.Rodriguez2@cityofchicago.org).

Sincerely,

Rich Butler  
First Deputy Procurement Officer  
RB:gr

121 NORTH LASALLE STREET, ROOM 806, CHICAGO, ILLINOIS 60602



ATTACHMENT B

P232

DEPARTMENT OF PROCUREMENT SERVICES

CITY OF CHICAGO

SEP 30 2016

Ms. Tricia Lehman, Account Executive  
Forte Payment Systems, Inc.  
500 W. Bethany Drive, Suite 200  
Allen, Texas 75013

Re: Notification of Contract Amendment for Check Processing Services  
Specification No. 51810  
Contract (PO) No. 17560

Dear Ms. Lehman:

The City of Chicago has amended the subject Blanket Agreement for additional time to June 24, 2017 and additional funding to be increased by \$195,058.03 for a maximum funding of \$885,058.03. Attached is a copy of the Blanket Agreement Modification print. Please refer to the specification and contract numbers listed above when inquiring about the contract.

Contractors are responsible for notifying the City and updating their EDS any time there is a change in circumstances that makes any information provided or certification made in an Economic Disclosure Statement (EDS) inaccurate, obsolete, or misleading. Failure to so notify the City and update the EDS is grounds for declaring the Contractor in default, terminating the contract for default, and declaring the Contractor ineligible for future contracts. Your contract also requires that you notify the City of any changes in ownership. If you have a change in ownership or any other change in EDS information to disclose, complete the online EDS, which includes a Disclosure of Retained Parties. Please submit an electronically signed, one-page EDS Certificate of Filing, which validates that the EDS has been filed. Additionally, the Municipal Code of Chicago requires the disclosure of Familial Relationships with Elected City Officials and Department Heads. The web address to submit your EDS and Familial Relationships Disclosure is: <https://webapps.cityofchicago.org/EDSWeb>.

Note that contract amendments are available for viewing and downloading on the City of Chicago's website: [www.cityofchicago.org/Procurement/](http://www.cityofchicago.org/Procurement/).

If you have any questions concerning this matter, contact Joseph Chan, Sr. Procurement Specialist at 312-744-7659 or email [joseph.chan@cityofchicago.org](mailto:joseph.chan@cityofchicago.org).

Sincerely,

  
Rich Butler  
First Deputy Procurement Officer

RB/jc  
cc: File (Specification No. 51810)  
Monica Jimenez, DPS  
Bridget O'Shea, DPS  
Steve Sakai, DF



ATTACHMENT C

Page 1

February 2, 2017

City of Chicago – Department of Procurement Services  
Jamie L. Rhee  
Chief Procurement Officer  
121 N. LaSalle Street, Suite 806  
Chicago, IL 60602

RE: Forte MBE/WBE Waiver Request & Extension

Dear Ms. Rhee,

The purpose of this letter is to address the 12 month extension requested and new MBE/WBE spending requirements under the Professional Services Agreement (PO #17560), dated June 25, 2008 between Forte Payment Systems, Inc. (formerly ACH Direct, Inc.) and the City of Chicago. We would appreciate your consideration in working with us to review the existing requirements and assessing how they can be managed going forward, insofar as the additional extension period is concerned (ending 6/24/2018).

The current agreement between Forte Payment Systems and The City of Chicago includes a requirement that all vendors contracting with the City buy/invest ~16.9% of the proceeds paid to an MBE and ~2.0% to a WBE. Forte has met the MBE requirement by making a substantial purchase at the onset of the agreement, above the required percentage, allowing for this requirement to be met through the term of the agreement. That one-time purchase, at the time, was credited as an "indirect" purchase (for equipment and toner, etc.) in an effort solely to meet the MBE goals.

Forte is requesting that the City grant us a waiver for the WBE requirement under the original term of the agreement and a waiver for both the MBE and WBE requirement through the extension term for the following reasons:

- Forte does not sub-contract services: all services provided to the City are managed within our organization.
- Forte has existing vendor contracts in place for purchasing commodities locally, here in Texas, and therefore it would be impractical for us to commit to making such purchases from vendors in the Chicagoland area.
- Forte is reducing its compensation (fees that Chicago pays Forte) during the additional extension period.

Please indicate your understanding and acceptance of the terms of this 12 month extension and Amendment to the Professional Services Agreement by providing your counter-signature below.

Thank you for your time and attention. We appreciate your business and look forward to continuing and growing our business relationship.

Sincerely,



Jeff Kump  
Chief Financial & Operating Officer

Accepted and Agreed to:

CITY OF CHICAGO

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT 2  
SCHEDULE OF COMPENSATION**

**Cost for Check Verification Services**

The estimated cost for the Check Verification Services is \$178,000 per year. The total estimated value for 8 years, the 5-year initial term plus three 1-year extensions, is \$1.424 million exclusive of terminal cost.

**Transaction Fees**

The City will be charged for all participating transactions sent to Contractor. The City will be billed for the Services. The bills are itemized by service and applicable Transaction volume for that service. The pricing below reflects that the City intends to verify and convert paper checks to ACH transactions and that Contractor anticipates that 90% of the City's verification Transactions would be processed through the ATMVerify database, and the remaining 10% of the City's verification Transactions would be processed through NCN.

SERVICE TYPE	COMPENSATION RATE
ATMVerify	\$.22/transaction
ACH Gateway Fee	\$.03/transaction
RCK FEE Rebate	20% of collected fee

Thank you for your time and attention. We appreciate your business and look forward to continuing and growing our business relationship.

Sincerely,

Jeffrey Thorness  
President & CEO

Accepted and Agreed to:

CITY OF CHICAGO

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
3/16/2017

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Commercial Lines - (972) 588-6456 Wells Fargo Insurance Services USA, Inc. 5151 Belt Line Road, Suite 200 Dallas, TX 75254	<b>CONTACT NAME:</b> Andrew Barnes <b>PHONE (A/C, No, Ext):</b> 972-588-6431 <b>FAX (A/C, No):</b> 855-605-8264 <b>E-MAIL ADDRESS:</b> andrew.barnes2@wellsfargo.com														
<b>INSURED</b> Forte Payment Systems, Inc. 500 W Bethany Drive Suite 200 Allen, TX 75013	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;">INSURER(S) AFFORDING COVERAGE</th> <th style="width: 20%;">NAIC #</th> </tr> </thead> <tbody> <tr> <td><b>INSURER A:</b> Transportation Insurance Company</td> <td>20494</td> </tr> <tr> <td><b>INSURER B:</b> Hartford Insurance Co. of the Midwest</td> <td>37478</td> </tr> <tr> <td><b>INSURER C:</b> AXIS Insurance Company</td> <td>37273</td> </tr> <tr> <td><b>INSURER D:</b></td> <td></td> </tr> <tr> <td><b>INSURER E:</b></td> <td></td> </tr> <tr> <td><b>INSURER F:</b></td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	<b>INSURER A:</b> Transportation Insurance Company	20494	<b>INSURER B:</b> Hartford Insurance Co. of the Midwest	37478	<b>INSURER C:</b> AXIS Insurance Company	37273	<b>INSURER D:</b>		<b>INSURER E:</b>		<b>INSURER F:</b>	
INSURER(S) AFFORDING COVERAGE	NAIC #														
<b>INSURER A:</b> Transportation Insurance Company	20494														
<b>INSURER B:</b> Hartford Insurance Co. of the Midwest	37478														
<b>INSURER C:</b> AXIS Insurance Company	37273														
<b>INSURER D:</b>															
<b>INSURER E:</b>															
<b>INSURER F:</b>															

**COVERAGES**      **CERTIFICATE NUMBER: 11568984**      **REVISION NUMBER: See below**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<b>COMMERCIAL GENERAL LIABILITY</b>  <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC  OTHER:			B6019949650	03/15/2017	03/15/2018	EACH OCCURRENCE	\$ 2,000,000
			DAMAGE TO RENTED PREMISES (Ea occurrence)				\$ 300,000	
			MED EXP (Any one person)				\$ 10,000	
			PERSONAL & ADV INJURY				\$ 2,000,000	
			GENERAL AGGREGATE				\$ 4,000,000	
			PRODUCTS - COMP/OP AGG				\$ 4,000,000	
							\$	
A	<b>AUTOMOBILE LIABILITY</b>  <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			B6019949650	03/15/2017	03/15/2018	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
			BODILY INJURY (Per person)				\$	
			BODILY INJURY (Per accident)				\$	
			PROPERTY DAMAGE (Per accident)				\$	
		\$						
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR						EACH OCCURRENCE	\$
	<b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE						AGGREGATE	\$
	<b>DED</b> <b>RETENTION \$</b>							\$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below			46WECAO5068	03/15/2017	03/15/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
			E.L. EACH ACCIDENT				\$ 1,000,000	
			E.L. DISEASE - EA EMPLOYEE				\$ 1,000,000	
			E.L. DISEASE - POLICY LIMIT				\$ 1,000,000	
C	<b>Cyber Liability/E&amp;O</b>			MCN000059181701	03/15/2017	03/15/2018	5,000,000 Each Wrongful Act \$500,000 Retention	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The General Liability and Auto Liability policies include a blanket automatic additional insured endorsement that provides additional insured status to any person or organization for which insured is obligated by a written agreement to procure additional insured coverage.

## CERTIFICATE HOLDER

City of Chicago  
 Department of Procurement Services  
 City Hall, Suite 806  
 121 North LaSalle Street  
 Chicago, IL 60602

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*James Brada*

The ACORD name and logo are registered marks of ACORD © 1988-2015 ACORD CORPORATION. All rights reserved.

ACORD 25 (2016/03)

(This certificate replaces certificate# 11563129 issued on 3/15/2017)



# CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)  
3/15/2017

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

<b>PRODUCER</b> Commercial Lines - (972) 588-6456 Wells Fargo Insurance Services USA, Inc. 5151 Belt Line Road, Suite 200 Dallas, TX 75254	<b>CONTACT NAME:</b> Andrew Barnes <b>PHONE (A/C, No, Ext):</b> 972-588-6431 <b>FAX (A/C, No):</b> 855-605-8264 <b>E-MAIL ADDRESS:</b> Andrew.Barnes2@wellsfargo.com <b>PRODUCER CUSTOMER ID:</b> 320352														
<b>INSURED</b> Forte Payment Systems, Inc. 500 W Bethany Drive, Suite 200 Allen, TX 75013	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> </thead> <tbody> <tr> <td><b>INSURER A :</b> Hanover Insurance Company</td> <td>22292</td> </tr> <tr> <td><b>INSURER B :</b> Transportation Insurance Company</td> <td>20494</td> </tr> <tr> <td><b>INSURER C :</b></td> <td></td> </tr> <tr> <td><b>INSURER D :</b></td> <td></td> </tr> <tr> <td><b>INSURER E :</b></td> <td></td> </tr> <tr> <td><b>INSURER F :</b></td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	<b>INSURER A :</b> Hanover Insurance Company	22292	<b>INSURER B :</b> Transportation Insurance Company	20494	<b>INSURER C :</b>		<b>INSURER D :</b>		<b>INSURER E :</b>		<b>INSURER F :</b>	
INSURER(S) AFFORDING COVERAGE	NAIC #														
<b>INSURER A :</b> Hanover Insurance Company	22292														
<b>INSURER B :</b> Transportation Insurance Company	20494														
<b>INSURER C :</b>															
<b>INSURER D :</b>															
<b>INSURER E :</b>															
<b>INSURER F :</b>															

**COVERAGES**      **CERTIFICATE NUMBER: 1024742**      **REVISION NUMBER: See Below**

**LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)**  
 500 W Bethany Drive, Suite 200

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
B	<input checked="" type="checkbox"/> PROPERTY	B6019949650	03/15/2017	03/15/2018	BUILDING	\$
	CAUSES OF LOSS				DEDUCTIBLES	
	<input type="checkbox"/> BASIC				BUILDING	
	<input type="checkbox"/> BROAD				CONTENTS	
	<input checked="" type="checkbox"/> SPECIAL				\$2,500	
	<input type="checkbox"/> EARTHQUAKE					
	<input type="checkbox"/> WIND					
	<input type="checkbox"/> FLOOD					
	<input type="checkbox"/>					
	<input type="checkbox"/>					
	<input type="checkbox"/> INLAND MARINE	TYPE OF POLICY				\$
	CAUSES OF LOSS					\$
	<input type="checkbox"/> NAMED PERILS	POLICY NUMBER				\$
						\$
A	<input checked="" type="checkbox"/> CRIME	LHAA87607501	03/15/2017	03/15/2018	<input checked="" type="checkbox"/> Employee Dishon	\$ 2,000,000
	<input checked="" type="checkbox"/> Computer Fraud				\$ 2,000,000	
	<input checked="" type="checkbox"/> Retention				\$ 15,000	
	<input type="checkbox"/> BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
						\$
						\$

**SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)**  
 Proof of Coverage

<b>CERTIFICATE HOLDER</b> City of Chicago, Department of Procurement Services City Hall, Suite 806 121 North LaSalle Street Chicago, IL 60602	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
---	--

The ACORD name and logo are registered marks of ACORD      © 1995-2009 ACORD CORPORATION. All rights reserved.



## ARTICLE 3. DUTIES AND RESPONSIBILITIES OF CONTRACTOR

### 3.1 Scope of Services

Contractor will provide Services to the City as set forth in this Section 3.1 and Exhibit 1, Scope of Services. Contractor will provide proprietary API access to Contractor's PaymentsGateway for verification of bank account information and transmission of payment transaction data to the City's chosen ODFI.

This description of Services is intended to be general in nature and is neither a complete description of Contractor's Services nor a limitation on the Services that Contractor is to provide under this Agreement. Contractor must provide the Services in accordance with the standards of performance set forth in Section 3.3.

### 3.2 Deliverables

In carrying out its Services, Contractor must prepare and provide to the City or its Designated ODFI various Deliverables, including reports and settlement files provided to the City and NACHA files to the Designated ODFI.

The City may reject Deliverables that do not include relevant information or data, or do not include all documents or other materials specified in this Agreement or reasonably necessary for the purpose for which the City made this Agreement or for which the City intends to use the Deliverables. If the City determines that Contractor has failed to comply with the foregoing standards, it has 30 days from the discovery to notify Contractor of its failure. If Contractor does not correct the failure, if it is possible to do so, within 30 days after receipt of notice from the City specifying the failure, then the City, by written notice, may treat the failure as a default of this Agreement under Section 9.1.

Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose for the benefit of the City and when consented to in advance by the City. Such Deliverables will not be considered as satisfying the requirements of this Agreement and partial or incomplete Deliverables in no way relieve Contractor of its obligations under this Agreement.

### 3.3 Standard of Performance

Contractor must perform all Services required of it under this Agreement with that degree of skill, care and diligence normally shown by a contractor performing services of a scope and purpose and magnitude comparable with the nature of the Services to be provided under this Agreement. Contractor acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Contractor agrees to be held to the standard of care of a fiduciary. Any review, approval, acceptance of

*No Change in Original Contract Scope.*

*Richard P. [Signature]*

**Services or Deliverables or payment for any of the Services by the City does not relieve Contractor of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Contractor under this Agreement, at law or in equity.**

Contractor must be appropriately licensed to perform the Services, if required by law, and must ensure that all Services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed as may be required by law. Contractor must provide copies of any such licenses. Contractor remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Contractor or its Subcontractors or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Department and delivered in a timely manner consistent with the requirements of this Agreement.

If Contractor fails to comply with the foregoing standards, Contractor must, at the City's option, perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure, unless the reason is failure to have and maintain required licensure. See subsection 9.1 (b)(ii) regarding failure to comply with licensure requirements.

### **3.4 Personnel**

#### **(a) Adequate Staffing**

Contractor must, upon receiving a fully executed copy of this Agreement, assign and maintain during the term of this Agreement and any extension of it an adequate staff of competent personnel that is fully equipped, licensed as appropriate, available as needed, qualified and assigned exclusively to perform the Services. Contractor must include among its staff the Key Personnel and positions as identified below. The level of staffing may be revised from time to time by notice in writing from Contractor to the City and with prior written consent of the City.

#### **(b) Key Personnel**

Contractor must not reassign or replace Key Personnel without the written consent of the City. "**Key Personnel**" means those job titles and the persons assigned to those positions in accordance with the provisions of this Section 3.4(b). The Department may at any time in writing notify Contractor that the City will no longer accept performance of Services under this Agreement by one or more Key Personnel listed. Upon that notice Contractor must immediately suspend the key person or persons from performing Services under this Agreement and must replace him or them in accordance with the terms of this Agreement. Key Personnel, if any, are identified in Exhibit 6.

*No Change in Original Contract Scope*  
*Rubark*

**EXHIBIT 1**  
**SCOPE OF SERVICES**

Contractor must provide PaymentsGateway services to the City. These services include processing/channeling any or all of the following Transactions: authorizations, verifications, authentications, settlement Transactions or funds capturing. Merchant may use the Services in conjunction with ACHD's other products and services or Merchant may elect to use the Services in conjunction with its own or a third party's products and services.. Contractor will furnish gateway and verification services through the PaymentsGateway, as described in detail below. The City can use the Services by logging into the System, going to the add Transaction function, swiping the check, and filling in the necessary information to receive a response code indicating whether it can accept a check, covert the check to ACH, or whether to deny the check, and provide the basis for any denial. The Services must capture for each check the dollar amount of the check, the date and time paid, the location paid at, the terminal/workstation paid at, and the verification number.

**Account Verification**

- Contractor will provide bank account verification through ATMVerify and NCN.

ATMVerify: ATMVerify is a program that will provide the City information about an individual's account through an online real time inquiry. Level 1 of ATMVerify provides the City with the information that the routing and transit, account number and account status and payment amount are validated by the account holding financial institution. Level 2 of ATMVerify provides that the routing and transit, account number and account status as of the open of business that day are validated, but the balance in the account is not validated.

NCN: NCN will be used in addition to ATMVerify in the event that ATMVerify does not provide the City with information about an individual's account. NCN validates the routing and transit, account number, and provides the City information about whether there is outstanding negative information or returned checks on the account.

**Implementation**

- Contractor will provide an Application Programming Interface (API), accessible from a Java and Microsoft .Net application running on a City of Chicago application server. In addition, all files sent to the City from Contractor must be encoded as UTF-8 and sent using secure protocols including HTTPS, FTPS, or SSH.

*No Change in Original Contract Scope.*

*Rubal*

## **Availability**

The PaymentsGateway is accessible 24 hours per day, 7 days per week.

## **Reporting**

- Contractor must transmit all payment data for all processed checks to the City.
- Contractor must make available monthly check verification and payment Transaction reports listing the check payments. City personnel can access this information through Contractor's online reporting 24 hours per day, 7 days a week. Reports can be produced daily, monthly, quarterly, etc.
- Contractor must make best efforts to provide all requested reports within 24 hours of electronic request. This 24 hour time frame cannot be guaranteed for ad hoc reporting.
- Contractor must provide a monthly detailed analysis of all fees charged to the City.
- Contractor must maintain an audit trail of all check Transactions that have occurred during the life of this Agreement and that audit trail must be available for review or audit upon request by the City.
- To provide reports on SLAs

## **Training**

- Contractor must provide on-site training to authorized City of Chicago personnel, on its System (e.g. navigation, report generation, etc.).
- Contractor must train additional users and have new users fully operational within 15 business days from the City's request.
- There is no additional cost to the City for the training provided by the Contractor.

## **Technical Requirements and Support**

- The City will provide a PC for each of its employees requiring access into the Contractor's System (i.e. personnel authorized for accepting check payments).

*No Change in Original Contract Scope.*

*Rahul R*

- Contractor must maintain a positive and negative database with real-time System updates as required to support check processing.
- Contractor must expand the System as needed to additional sites or City departments at no extra cost to the City.
- Contractor must provide the City with 24 hour, 7 days a week Customer Service support and system support. After hours support is by pager, cell phone or special phone number.
- Contractor must provide ongoing training and support as needed.
- To report issues, the City would call ACH Direct Customer Service at 469-675-9920 Option 2.
- Contractor must provide Customer Service support to City customers who have had their checks denied by the System.
- Contractor must make best efforts to resolve reported problems within 24 hours.

### **Compensation and Deposits**

- Contractor must invoice the City for Gateway and Verification Services contracted for, including, walk-in payments, telephone payments, mail-in payments, and kiosk payments.
- Expand - Contractor must submit all electronic checks to an ODFI that is a City-certified bank.
- Contractor must not add a service charge or fee to the account of the person making payment to the City or characterize the Transaction as a cash-advance or as one subject to immediate interest charges.
- Contractor must reimburse the City for any lost interest when deposits are not made on the day after the Transaction, if directly caused by Contractor's action or inaction, at the average Federal Funds rate for the period during which the funds were not deposited.
- Contractor must provide with each invoice to the City: Transaction activity by location which details any service fees, etc.

### **Service Standard Guarantees**

*No Change in Original Contract Scope.*

*Rubal R*

- Contractor must enable an unlimited number of users to process check-verification and ACH Gateway Transactions simultaneously.
- Contractor must enable online check verification and ACH Gateway processing 24 hours a day, 7 days a week.
- Uptime for Contractors's systems will be 99.99% with an average response time of 5 seconds,
- Contractor must ensure that the System is not down for more than 0.2% of the time.
- Contractor must provide detailed Transaction data as needed for any City Transaction that occurred during the duration of the Agreement.
- All reports, excluding ad hoc reporting, must be delivered to the City within 24 hours of the request.
- Contractor warrants and represents that the City does not require a software licensing agreement to use Payments Gateway.

*No Change in Original Contract Scope.*

*Rubal R...*

- Contractor must enable an unlimited number of users to process check-verification and ACH Gateway Transactions simultaneously.
- Contractor must enable online check verification and ACH Gateway processing 24 hours a day, 7 days a week.
- Uptime for Contractors's systems will be 99.99% with an average response time of 5 seconds,
- Contractor must ensure that the System is not down for more than 0.2% of the time.
- Contractor must provide detailed Transaction data as needed for any City Transaction that occurred during the duration of the Agreement.
- All reports, excluding ad hoc reporting, must be delivered to the City within 24 hours of the request.
- Contractor warrants and represents that the City does not require a software licensing agreement to use Payments Gateway.

Mo Chang      Ruben P. R.

## Modification Summary Report

**Contract (PO) Number:** 17560

**Modification Revision Number:** 3

**Specification Number:** 51810

**Name of Contractor:** FORTE PAYMENT SYSTEMS

**City Department:** DEPARTMENT OF REVENUE

**Title of Contract:** CHECK PROCESSING SERVICES, INCLUDING CHECK  
AUTHORIZATION AND ELECTRONIC CHECK CONVERSION  
SERVICES



<u>Mod Req Number</u>	<u>Mod Reason</u>	<u>Description</u>
116901	TIME EXTENSION	Sole Source request for an additional 12-month extension + VLI for the Forte Payment Systems, Inc. PO# 17560; through 6/24/2017.

---

**Term of Contract: Start Date:** 6/25/2008

**End Date:** 6/24/2017

**Procurement Services Contact Person:** JOSEPH CHAN

*Please refer to the DPS website for Contact information under "Doing Business With The City".*

It has been determined, on behalf of the City of Chicago, with regard to this Contract Amendment/Modification, that the circumstance said to necessitate the change in performance were not reasonably foreseeable at the time the Agreement was signed, or that the change is germane to the original Agreement as signed, or that the change order is in the best interest of the City of Chicago and is authorized by law.

**Vendor Number:** 50783029

**Submission Date:**

October 12, 2016



Specification No. 51810  
Contract (P.O.) No. 17560 ("Agreement")  
Amendment No. 1  
Vendor No. 50783029A  
Mod Requisition No. 116901



**AMENDMENT NO. 1**

This amendment ("**Amendment**") is made and entered into effective as of the 26th day of September, 2016 by and between the CITY OF CHICAGO ("**City**"), a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through its Department of Finance ("**Department**"), at Chicago, Illinois, and Forte Payment Systems, Inc., (formerly ACH Direct, Inc.) a California corporation with its place of business at 500 W. Bethany Drive, Suite 200, Allen, Texas 75013 ("**Contractor**") (collectively, the "**Parties**").

**Whereas**, the City and Contractor have heretofore entered into an agreement for "Check Processing Services" for the Department of Finance dated the 25th day of June, 2008 (hereinafter referred to as the "Agreement" or "Contract") whereby Contractor provides certain check processing services, including check authorization and electronic check conversion services described in the Agreement ("**Services**") therein set forth for the City; and

**Whereas**, the parties desire to amend certain terms and conditions as set forth herein;

**Now, therefore**, the parties agree as follows:

**TERMS AND CONDITIONS**

1. **Introductory paragraph on page 1**, is amended as follows: by replacing "ACH Direct, Inc." with "Forte Payment Systems, Inc.". All references throughout the Agreement to "ACH Direct, Inc." are hereby replaced with "Forte Payment Systems, Inc.".

2. **Article 2, Definitions, Section 2.1 Definitions** is amended by deleting "'**Department**' means the Department of Revenue of the City." and replacing it with "'**Department**' means the Department of Finance of the City."

3. **Article 4, Duration of Agreement, Section 4.1, Term of Performance** is amended to extend the term of performance to June 24, 2017.

**4. Article 4, Duration of Agreement, Section 4.3, Agreement Extension Option, is amended to add an additional one-year extension option.**



**5. Article 5, Compensation, Section 5.2, Method of Payment, is amended by adding the following text:**

“Contractor may be paid, at the City's option, by electronic payment method. If the City elects to make payment through this method, it will so notify the Contractor, and Contractor agrees to cooperate to facilitate such payments by executing the City's electronic funds transfer form, available for download from the City's website at:  
[http://www.cityofchicago.org/content/dam/city/depts/fin/supp\\_info/DirectDepositCityVendor.pdf](http://www.cityofchicago.org/content/dam/city/depts/fin/supp_info/DirectDepositCityVendor.pdf).

The City reserves the right to offset mistaken or wrong payments against future payments.

**6. Article 5, Compensation, Section 5.3, Funding, is deleted in its entirety and replaced with the following:**

**“5.3 Funding**

The maximum funding increase under this Amendment up to \$195,058.03 is from Fund 016-0100-027-2020-0140-220140. The source of funds for payment under this Agreement up to \$690,000.00.00 is 08-100-29464-0140-220140. Compensation under this Agreement may not exceed \$885,058.03. Payments under this Agreement must not exceed those amounts without a written amendment in accordance with Section 10.3. Funding for this Agreement is subject to availability of funds and their appropriation by the City Council of the City of Chicago.”

**7. Article 5, Compensation, Section 5.5, Subcontractor Payments is deleted in its entirety and replaced with the following:**

**“5.5 Subcontractor Payments**

The Contractor will be responsible for reporting payments to all Subcontractors on a monthly basis in the form of an electronic audit. Upon the first payment issued by the City of Chicago to the Contractor for services performed, on the first day of each month and every month thereafter, e-mail and/or fax audit notifications will be sent out to the Contractor with instructions to report payments that have been made in the prior month to each Subcontractor. The reporting of payments to all Subcontractors must be entered into the Certification and Compliance Monitoring System (C2), or whatever reporting system is currently in place, on or before the fifteenth (15th) day of each month.

Once the Contractor has reported payments made to each MBE and WBE, including zero dollar amount payments, the MBE and WBE will receive an e-mail and/or fax notification requesting them to log onto the system and confirm payments received. All monthly

confirmations must be reported on or before the 20<sup>th</sup> day of each month. Contractor and Subcontractor reporting to the C2 system must be completed by the 25<sup>th</sup> of each month or payments may be withheld.



Access to the Certification and Compliance Monitoring System (C2), which is a web based reporting system, can be found at <https://chicago.mwdbe.com>.

If a Subcontractor has satisfactorily performed in accordance with the requirements of the Contract, Contractor must pay Subcontractor for such work, services, or materials within (7) calendar days of Contractor receiving payment from the City. Failure to comply with the foregoing will be deemed an event of default.”

**8. Article 5, Compensation,** is amended by adding a new Section 5.6, Centralized Invoice Processing with the following:

**“5.6 Centralized Invoice Processing**

Unless stated otherwise in the Detailed Specifications, this Contract is subject to Centralized Invoice Processing ("CIP"). Invoices must be submitted directly to the Comptroller's office by US Postal Service mail to the following address as appropriate:

Invoices for any City department other than the Department of Aviation:

Invoices:

City of Chicago, Office of the City Comptroller  
121 N. LaSalle St., Room 700  
Chicago, IL 60602

Invoices for the Department of Aviation:

Chicago Department of Aviation  
10510 W. Zemke Blvd.  
P.O. Box 66142  
Chicago, IL 60666  
Attn: Finance Department

OR

Invoices for any department, including Aviation, may be submitted via email to: [invoices@cityofchicago.org](mailto:invoices@cityofchicago.org) with the word "INVOICE" in the subject line.

All invoices must be signed, marked "original," and include the following information or payment will be delayed:



- Invoice number and date
- Contract/Purchase Order number
- Blanket Release number (if applicable)
- Vendor name and/or number
- Remittance address
- Name of City Department that ordered the goods or services
- Name and phone number of your contact at the ordering department
- Invoice quantities, commodity codes, description of deliverable(s)
- Amount due
- Receipt number (provided by the ordering department after delivery of goods/services)

Invoice quantities, service description, unit of measure, pricing and/or catalog information must correspond to the terms of the Compensation Schedule.

If applicable, if invoicing Price List/Catalog items, indicate Price List/Catalog number, item number, Price List/Catalog date, and Price List/Catalog page number on the invoice.

Invoices for over-shipments or items with price/wage escalations will be rejected unless the Contract includes a provision for such an adjustment.

Freight, handling and shipping costs are not to be invoiced; deliveries are to be made F.O.B., City of Chicago. The City of Chicago is exempt from paying State of Illinois sales tax and Federal excise taxes on purchases.”

9. **Article 5, Compensation**, is amended by adding a new Section 5.7, Taxes, follows:

**“5.7 Taxes**

Federal Excise Tax does not apply to materials purchased by the City of Chicago by virtue of Exemption Certificate No. 36-6005820 and State of Illinois Sales Tax does not apply by virtue of Exemption Certificate No. E9998-1874-07. Illinois Retailers Occupation Tax, Use Tax, and Municipal Retailers Occupation Tax do not apply to materials or services purchased by the City of Chicago by virtue of Statute. The price or prices quoted herein shall include all other Federal and/or State, direct and/or indirect taxes which apply. The prices quoted herein shall comply with all Federal laws and regulations.”

10. **Article 7, Compliance With All Laws, Section 7.3, Inspector General** is deleted in its entirety and replaced with the following:

**“7.3 Inspector General and Legislative Inspector General**



It is the duty of any bidder, proposer or Contractor, all Subcontractors, every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners and employees of any bidder, proposer, Contractor, Subcontractor or such applicant to cooperate with the Inspector General or the Legislative Inspector General in any investigation or hearing, if applicable, undertaken pursuant to MCC Ch. 2-56 or 2-55, respectively. Contractor understands and will abide by all provisions of MCC Ch. 2-56 and 2-55.

All subcontracts must inform Subcontractors of this provision and require understanding and compliance with them.”

**11. Article 7, Compliance With All Laws, Section 7.5, Business Relationships with Elected Officials** is deleted in its entirety and replaced with the following:

**“7.5 Business Relationships with Elected Officials**

Pursuant to MCC Sect. 2-156-030(b), it is illegal for any elected official, or any person acting at the direction of such official, to contact either orally or in writing any other City official or employee with respect to any matter involving any person with whom the elected official has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. In addition, no elected official may participate in any discussion in any City Council committee hearing or in any City Council meeting or vote on any matter involving the person with whom the elected official has any business relationship that creates a financial interest on the part of the official, or the domestic partner or spouse of the official, or from whom or which he has derived any income or compensation during the preceding twelve months or from whom or which he reasonably expects to derive any income or compensation in the following twelve months. Violation of MCC Sect. 2-156-030 by any elected official with respect to this contract will be grounds for termination of this Agreement. The term financial interest is defined as set forth in MCC Chapter 2-156.”

**12. Article 7, Compliance with All Laws, Section 7.6, Chicago “Living Wage” Ordinance, subsection (c)** is deleted in its entirety and replaced with the following:

“(c) As of July 1, 2016, the Base Wage is \$12.15 per hour and each July 1 thereafter, the Base Wage will be adjusted using the most recent federal poverty guidelines for a family of four as published annually by the U.S. Department of Health and Human Services, to constitute the following: the poverty guidelines for a family of four divided by 2000 hours or the current base wage, whichever is higher. The currently applicable Base Wage is available from the Department of Procurement Services. At all times during the term of this Agreement, Contractor and all other Performing Parties must pay the Base Wage (as adjusted in accordance with the above). If the payment of prevailing wages is required for Services done under this Agreement,

and the prevailing wages for Covered Employees are higher than the Base Wage, then Contractor and all other Performing Parties must pay the prevailing wage rates.”



13. Article 7, Compliance With All Laws, Section 7.8, Prohibition on Certain Contributions, is deleted in its entirety and replaced with the following:

**“7.8 Prohibition on Certain Contributions, Mayoral Executive Order 2011-4**

No Contractor or any person or entity who directly or indirectly has an ownership or beneficial interest in Contractor of more than 7.5% ("Owners"), spouses and domestic partners of such Owners, Contractor's Subcontractors, any person or entity who directly or indirectly has an ownership or beneficial interest in any Subcontractor of more than 7.5% ("Sub-owners") and spouses and domestic partners of such Sub-owners (Contractor and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee during (i) the bid or other solicitation process for this Contract or Other Contract, including while this Contract or Other Contract is executory, (ii) the term of this Contract or any other Contract between City and Contractor, and/or (iii) any period in which an extension of this Contract or Other Contract with the City is being sought or negotiated.

Contractor represents and warrants that since the date of public advertisement of the specification, request for qualifications, request for proposals or request for information (or any combination of those requests) or, if not competitively procured, from the date the City approached the Contractor or the date the Contractor approached the City, as applicable, regarding the formulation of this Contract, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Contractor shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

The Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 2011-4.

Violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Contract, and under any Other Contract for which no opportunity to cure will be granted. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Contract, under Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Contractor violates this provision or Mayoral Executive Order No. 2011-4 prior to award of the Contract resulting from this specification, the CPO may reject Contractor's bid.



For purposes of this provision:

"Other Contract" means any agreement entered into between the Contractor and the City that is (i) formed under the authority of MCC Ch. 2-92; (ii) for the purchase, sale or lease of real or personal property; or (iii) for materials, supplies, equipment or services which are approved and/or authorized by the City Council.

"Contribution" means a "political contribution" as defined in MCC Ch. 2-156, as amended.

"Political fundraising committee" means a "political fundraising committee" as defined in MCC Ch. 2-156, as amended."

**14. Article 7, Compliance with All Laws**, is amended, by adding a new Section 7.12, Duty to Report Corrupt Activity as follows:

**"7.12 Duty to Report Corrupt Activity**

Pursuant to MCC 2-156-018, it is the duty of the Contractor to report to the Inspector General, directly and without undue delay, any and all information concerning conduct which it knows to involve corrupt activity. "Corrupt activity" means any conduct set forth in Subparagraph (a)(1), (2) or (3) of Section 1-23-020 of the MCC. Knowing failure to make such a report will be an event of default under this Contract. Reports may be made to the Inspector General's toll free hotline, 866-IG-TIPLINE (866-448-4754)."

**15. Article 7, Compliance With All Laws**, is amended, by adding a new Section 7.13, Disclosure of Ownership Interest in Entities as follows:

**"7.13 Disclosure of Ownership Interest in Entities**

The Contractor will keep disclosure of ownership interests and other information current as required by Section 2-154-020 of the Municipal Code of Chicago."

**16. Article 7, Compliance With All Laws**, is amended, by adding a new Section 7.14, Ineligibility to do Business with the City of Chicago as follows:

**"7.14 Ineligibility to do Business with the City of Chicago**

Failure by the Contractor or any controlling person (as defined in Section 1-23-010 of the Municipal Code of Chicago) thereof to maintain eligibility to do business with the City of

Chicago as required by Section 1-23-30 of the Municipal Code of Chicago shall be grounds for termination of this Agreement.”



17. **Article 10, General Conditions**, is amended by adding a new Section 10.12, 2014 City Hiring Plan Prohibition as follows:

**“10.12 2014 City Hiring Plan Prohibitions**

- (i) The City is subject to the June 16, 2014 "City of Chicago Hiring Plan" (the "2014 City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.
- (ii) Contractor is aware that City policy prohibits City employees from directing any individual to apply for a position with Contractor, either as an employee or as a subcontractor, and from directing Contractor to hire an individual as an employee or as a Subcontractor. Accordingly, Contractor must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by Contractor under this Contract are employees or Subcontractors of Contractor, not employees of the City of Chicago. This Contract is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by Contractor.
- (iii) Contractor will not condition, base, or knowingly prejudice or affect any term or aspect of the employment of any personnel provided under this Contract, or offer employment to any individual to provide services under this Contract, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support, activity or financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Contract, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.
- (iv) In the event of any communication to Contractor by a City employee or City official in violation of paragraph (ii) above, or advocating a violation of paragraph (iii) above, Contractor will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's



Office of the Inspector General, and also to the head of the relevant City Department utilizing services provided under this Contract. Contractor will also cooperate with any inquiries by OIG Hiring Oversight.”



**18. Article 11, Notices**, is amended as follows:

- a. by deleting the name Department of Revenue, City Hall – Room 107” and replacing it with “Department of Finance, City Hall – Room 700”
- b. by deleting Department of Procurement Services address “Room 403, City Hall” and replacing with “Room 806, City Hall”.
- c. by deleting the Contractor name “ACH Direct, Inc. and replacing it with “Forte Payment Systems, Inc.”

**19. Exhibit 2, Schedule of Compensation, Transaction Fees**, is amended by deleting the Compensation Rate of “\$.24/Transaction” for ATMVerify and replacing it with “\$.022/Transaction” and deleting the Compensation Rate of “\$.05/Transaction” for ACH Gateway Fee and replacing it with “\$.03/Transaction”.

**20. Acknowledgement.** Contractor has executed an online Economic Disclosure Statement and Affidavit (EDS) Certificate of Filing and provided an Insurance Certificate, copies of which are attached to this Amendment as Exhibit 1 and Exhibit 2 respectively and incorporated here by reference.

The terms of the Agreement remain in full force and effect except as modified in this Amendment.

AMENDMENT SIGNATURE PAGE



Contract No. 17560

Specification No. 51810

Mod Requisition No. 116901

Contractor Name: Forte Payment Systems, Inc.

Total Amount (Value): \$885,058.03

Fund Chargeable: 08-100-29464-0140-220140 (\$690,000.00)  
016-0100-027-2020-0140-220140 (\$195,058.03)

**FORTE PAYMENT SYSTEMS, INC.**

(Contractor)

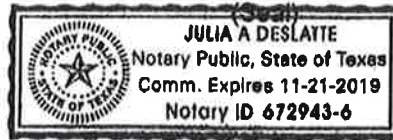
By: [Signature]  
Its: President & CEO

Attest: [Signature]

State of Texas  
County of Collin

This instrument was acknowledged before me on this 8th day of September, 2016  
by Jeffrey Thorness as President (or other authorized officer) and  
Jeffrey Thorness as Secretary of Forte Payment Systems, Inc. (Corporation Name).

[Signature]  
Notary Public Signature



Commission Expires: 11-21-2019

[Signature] SEP 26 2016  
CITY OF CHICAGO

Mayor [Signature] Date

Comptroller [Signature] 27 Sept 16 Date

Chief Procurement Officer [Signature] Date

[Signature] SEP 26 2016  
Date

The Chief Procurement Officer has determined, on behalf of the City of Chicago, with regard to this Contract Amendment, that the circumstances said to necessitate the change in performance were not reasonably foreseeable at the time the Agreement was signed, or that the change is germane to the original Agreement as signed, or that the change order is in the best interest of the City of Chicago and is authorized by law.

[Signature]