Passport

Parking Payment Systems, Equipment and Services

SUPPLEMENTAL PRICE QUESTIONS FOR PAY BY PHONE VENDORS
RFP #MAPC 2014 PARKING PAYMENT SYSTEMS

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MAPC

1. Instructions

1. If your company offers multiple options (for example, either your company or the municipality can serve as the merchant of record), please indicate this and respond to all of the questions below that are relevant to any of the options that you offer. If it is easier, you may fill out multiple versions of this form with one form for each of the options.

Municipality Merchant of Record	Passport Merchant of Record
Municipality uses their own merchant processor → collects all fees, including convenience fee, parking revenue, and merchant processing fees → Municipality remits all convenience fees to Passport at months end.	Passport uses their own merchant processor → collects all fees, including convenience fee, parking revenue, and merchant processing fees → Passport remits parking revenue less merchant processing fees and convenience fee

2. Passport does not have a premium or subscription option for the parking customer. We do not withhold features from the end-user, such as reminders or free parking extensions, in order to charge premium fees to your parking customer. Additionally, all financial benefits from pre-funded accounts are provided to our client, which in this case is one or more of the municipalities represented in the MAPC.

3. If there is anything that we have failed to include in this form, please provide any other information you feel necessary for the Evaluation Committee to have a very clear understanding of the costs you are proposing for this RFP.

Q1 Please list any one-time fees, for example setup or training costs. For any fee that is not a fixed amount, please include the actual amount from a recent deployment, and describe the size of the deployment.

Passport does not assess any fees for setup or training. All setup and training will be completed remotely, and provided at no cost to the municipality. We have proven that this strategy is effective with both small scale and very large scale roll-outs. All initial signage and stickers for meters and pay stations are included at no additional cost to the municipality.

To the extent that your municipality requires on-site training, Passport will assess additional fees for Time and Expense.

Example fees from a recent deployment:
Initial Signage and Stickers: *included (regardless of size of deployment)*
Time: 2 Days of on-site training: 16 hours * $150/hour = $2,400
Lodging: 2 nights: $1,000
Meals: 3 meals per day for 2 days: $100
Roundtrip Flights: $1,500
Total: $5,000

Q2 Please detail the cost of stickers and/or signs. If initial rollout of stickers/signs are provided at no cost, please indicate the number that are provided, and detail any costs for later replacement or expansion of stickers/signs.

Passport will not charge a fee for the initial signage or stickers. Passport will provide the necessary number of signs and stickers to place on all meters and/or paystations. Our goal is to provide as much visibility and clarity into how to use the app, so as to drive utilization (we have the same interests, aligned).

Furthermore, Passport does not charge the municipality for design or customization of the sign to incorporate the branding and coloring of the municipality.

If the Municipality needs to expand the breadth of the program, we will provide signage for all new implementations as well.

In the event the Municipality needs replacement signage, due to wear and tear, vandalism, or otherwise, additional fees will be assessed to the City.

These signs (18x12 aluminum) will be charged at a rate of $35 per sign, while the decals and stickers will be $3 for each replacement.

Alternatively, if the municipality has an approved vendor for sign and decal creation, it may use the approved vendor if the quality passes the Passport requirements.

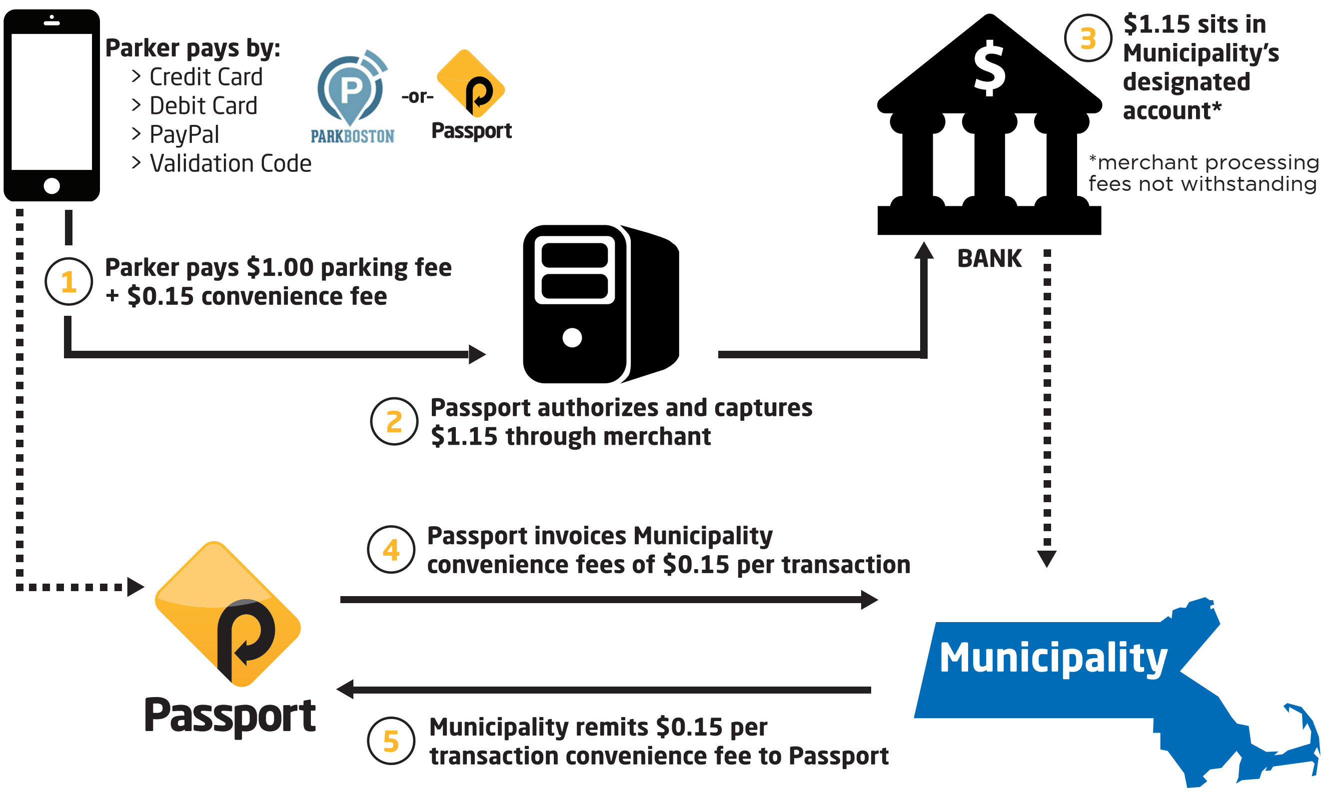
Q3 Please list any periodic fees, such as a monthly or annual software license agreement. For each fee, list the total amount and the period that it covers.

Passport does not assess any monthly or annual software fees. All fees for maintenance of and support for the Passport Application are accounted for as part of the transaction fee.

Q4 Does your company handle the credit card processing, or is it the municipality's responsibility? If the municipality is not serving as the merchant of record, what is the credit card processing fee per transaction?

Passport allows the client two options:

1. The Municipality may choose to be the merchant of record, in which case, the Municipality will remit the aggregate of convenience fees to Passport, at the end of each month.
2. If the Municipality prefers that Passport is the merchant of record, Passport will collect all parking fees processed through the Passport App. We will assess merchant processing fees of 2.40% + $0.20 per transaction. Passport will then remit parking revenues, less the convenience fee and processing fees.



Q5 If the municipality is not serving as the merchant of record, where are revenues deposited? Can they be deposited directly into an account controlled by the municipality (and then your company invoices the municipality for your portion), or does your company collect the revenues and then remit them to the municipality?

If Passport serves as the merchant of record, we will collect all the funds associated with the mobile pay program and deposit them into a Passport Account. Since we are the merchant of record, the funds have to be deposited into our account first. Passport will collect all revenues and remit revenues, less transaction fees and merchant processing fees. We can remit payment either monthly or weekly.

Q6 Please list any convenience fees or other per-transaction fees for which your company (as opposed to the credit card processor) receives the revenue.

Passport only receives the revenue for the transaction fee we assess. In this case, we will receive the revenue of $0.15 per transaction. We will remit the regularly collected parking fees, less the convenience fee and merchant processing fees.

Q7 Are these convenience fees paid by the customer or the municipality, or is it up to the municipality to determine which party pays?

Treatment of the municipality is up to the municipality. Each respective municipality in the MAPC has the option to either absorb or pass on this fee as a convenience fee. Additionally, a municipality also has the option to pass on additional fees in order to revenue share on the convenience fee. Representative examples for “Pleasantville”, below:

example 1 - Pleasantville absorbs the Passport transaction fee:
Parking Fee: $1.00
Fees assessed from a Mobile Payment transaction: $1.00
Transaction Fees to Passport: $0.15
Net Fees to Pleasantville prior to merchant processing charges: $0.85

example 2 - Pleasantville passes through the Passport transaction fee as a convenience fee:
Parking Fee: $1.00
Fees assessed from a Mobile Payment transaction: $1.15
Transaction Fees to Passport: $0.15
Net Fees to Pleasantville prior to merchant processing charges: $1.00

example 3 - Pleasantville passes through the Passport transaction fee plus additional revenue share as a convenience fee:
Parking Fee: $1.00
Fees assessed from a Mobile Payment transaction: $1.35
Transaction Fees to Passport: $0.15
Revenue share to Pleasantville per transaction: $0.20
Net Fees to Pleasantville prior to merchant processing charges: $1.20

Q8 Please illustrate your fee structure using the following example: A customer uses a credit card on your app to pay for one hour of parking in a zone priced at $1.00 per hour. Please list the following:

Economics are calculated using example 3 (revenue share) above with Passport as the merchant of record:

Amount paid by customer: $1.35
Amount paid by municipality: $0.00
Total amount collected: $1.35
Revenue received by municipality: $0.97
Fees retained by credit card processing company:
i. Merchant fees offered with Passport are: 2.4% + $0.20
ii. (.024 * $1.35) + $0.20 = $0.23
Revenue received by your company: $0.15
(note: line c should equal the total of lines d, e, and f)

Q9 Please illustrate your mobile wallet payment option using the following example: A customer uses a credit card to put $100.00 into a mobile wallet for your app. Please describe the following:

a. Can this $100.00 be used to pay for parking in any city where your company operates, or is it specific to one municipality?

We provide the Municipality with the option of an exclusive wallet, only to be used in that respective municipality.

Closed Loop Single Municipality
As the only provider of the closed loop wallet, we are the only company that allows the Municipality to hold the funds in their own account. The wallet is usually specific to one municipality unless an arrangement is made between neighboring municipalities. The parker loads $100.00 onto the wallet for a specific municipality and that municipality pays credit card processing fees only on that initial transaction. The municipality then holds the funds for the parker. Each successive parking transaction thereafter simply remits the amount of the transaction fee assessed by Passport and remits to us. The parking fee from that parking session removes from the balance and is kept with the municipality. In this situation, because the specific municipality holds the funds, they are the only municipality that can accept funds from that wallet program.

A key differentiator of Passport's Prepaid Wallet system is that **these merchant processing savings go to you.** Not Passport. When a customer parks, the money goes straight to your account. No waiting for funds or calculating receivable days. This stands in stark contrast to other mobile payment wallets that operate on open-loop systems, where software providers or escrow companies are the ones holding the funds.

	Option 1: Credit Card	Option 2: Closed-Loop Wallet
Number of Charges	10	1
Merchant Processing Fees	($1.00 x 0.024) + $0.20 = $0.224	($10.00 x 0.024) + $0.20 = $0.44
Total Transaction Fees	$0.224 x 10 transactions = $2.24	$0.44 x 1 transaction = $0.44

$2.24 - $0.44 = $1.80
$1.80 ÷ 10 = **$0.18**

With our Closed-Loop Wallet, that's a savings of **$0.18 per transaction!**

b. If the funds loaded into a mobile wallet account are specific to one municipality, does the municipality receive the revenue up front, or is it received on a monthly or per-transaction basis as the balance is used by the customer?

If a mobile wallet is specific to one municipality, that municipality will realize that $100 up front. This means merchant processing fees will be assessed on $100 rather than $1.15, which would be assessed in an individual parking transaction.

Passport would then receive the transaction fee for the number of times the parker parked in a given month. For example, if the parker uses the wallet and parks 4 times, Passport will receive $0.60 at the end of the month.

c. For a mobile wallet specific to a given municipality, where the municipality receives revenue up front, please describe the following for the initial $100.00 transaction:

Economics based on Passport as merchant of record

Amount paid by customer: $100.00
Amount paid by municipality: $0.00
Total amount collected: $100.00
Revenue received by municipality: $97.40 (parker retains $100.00 wallet balance)
Fees retained by credit card processing company:
i. Merchant processing fees offered by Passport: 2.40% + $0.20
ii. (2.40% * $100) + $0.20=$2.60
Revenue received or fees retained by your company: $0.00
(note: line iii should equal the total of lines iv, v, and vi)

d. For a mobile wallet specific to a given municipality, where the municipality does not receive the revenue up front, please list any fees that are charged as revenue is disbursed to the municipality on a monthly or per-transaction basis. Indicate whether disbursement is on a monthly or per-transaction basis, and illustrate with the example of a customer paying for one hour of parking in a zone priced at $1.00 per hour. If monthly disbursement, assume this is the sole transaction taking place in a given month.

Passport's closed loop wallet will always disperse immediately to the municipality holding those funds. Passport does not offer a wallet in which the municipality does not immediately receive the funds. The municipality will be responsible for holding and remitting the funds.

Monthly or per-transaction disbursement?

As stated above, Passport does hold the funds of the closed loop wallet, the municipality will always hold those funds. The municipality will be responsible for remitting transaction fee revenue to Passport. We will receive those disbursements on an agreed upon schedule, which will be determined in contract negotiations.

This type of wallet is not representative of the wallet Passport offered in the bid. Passport's submission and pricing was based on a closed loop wallet, where the municipality holds the funds. If the municipality would like this type of open loop wallet, Passport can support that option. The terms of this arrangement may be discussed further in contract negotiation. Passport intends to provide a full-range of mobile payment solutions to address the needs of each respective municipality.

Amount deducted from mobile wallet balance:
Any other fees (list amount and who pays):
Revenue received by municipality:
Fees retained by credit card processing company:
Revenue received or fees retained by your company:
(note: total of lines i and ii should equal the total of lines iii, vi, and v

e. For a mobile wallet that can be used in more than one municipality, please describe the following for the initial $100.00 transaction:

This type of wallet is not representative of the wallet Passport offered in the bid. Passport's submission and pricing was based on a closed loop wallet, where the municipality holds the funds. If the municipality would like this type of open loop wallet, Passport can support that option. The terms of this arrangement may be discussed further in contract negotiation. Passport intends to provide a full-range of mobile payment solutions to address the needs of each respective municipality.

Amount paid by customer:
Any other fees (list amount and who pays):
Total amount collected:
Fees retained by credit card processing company:
Revenue received or fees retained by your company:
Balance showing in mobile wallet:
(note: line iii should equal the total of lines iv, v, and vi)

f. For a mobile wallet that can be used in more than one municipality, please describe all fees that are charged as revenue is disbursed to the municipality. Indicate whether disbursement takes place on a monthly or per-transaction basis and illustrate with the example of a customer paying for one hour of parking in a zone priced at $1.00 per hour. If monthly disbursement, assume this is the sole transaction taking place in a given month.

Monthly or per-transaction disbursement?

This type of wallet is not representative of the wallet Passport offered in the bid. Passport's submission and pricing was based on a closed loop wallet, where the municipality holds the funds. If the municipality would like this type of open loop wallet, Passport can support that option. The terms of this arrangement may be discussed further in contract negotiation. Passport intends to provide a full-range of mobile payment solutions to address the needs of each respective municipality.

Amount deducted from mobile wallet balance
Any other fees (list amount and who pays):
Revenue received by municipality:
Fees retained by credit card processing company:
Revenue received or fees retained by your company:
(note: total of lines i and ii should equal the total of lines iii, iv, and v)