

MEMORANDUM OF UNDERSTANDING
THROUGH WHICH

New York City Department of Finance

WILL PROVIDE ELECTRONIC PAYMENT SERVICES

For

New York City Taxi and Limousine Commission

I. Parties and Purpose

This Memorandum of Understanding (MOU) is to confirm the mutual understandings between the Department of Finance (DOF) and the Taxi and Limousine Commission (TLC) regarding the obligations of each agency as part of the Citywide Payments and Receivables Program. The goal of this program is to improve incoming City payments, collections, and receivables management by creating efficiencies of scale, improving and expanding payment services to the public, and establishing comprehensive policy for payment services. The Program encompasses the Citywide Payments and Receivables Repository (CPRR). CPRR is a database that transforms receivables and payment information from an agency into a format so that it can be presented online for payment. CPRR also includes an automated feed to FMS that will automatically create CREs for payments received by agencies. One of the Program's project streams is focused on increasing the use of electronic payment services by giving the public more and better ways to pay the City—with a particular focus on electronic payments—which will reduce the cost to the City of collecting and processing payments. This MOU outlines the process by which DOF may integrate TLC data into CPRR as well as provide electronic payment services on behalf of TLC. Not every implementation will require integration with CPRR. DOF will advise TLC which components of the MOU apply to a specific implementation. The MOU will also address the expectations for each agency as part of its participation in the program.

II. Authority

The authority for DOF and TLC to enter into this agreement is:

The New York City Charter, ch. 49, §1121, Agreements Concerning Performance of Agency Administrative Functions

III. Terms and Conditions

This MOU between DOF and TLC is predicated on an engagement for payment processing services by and between DOF and a Payment Service Provider. A demonstration project contract between DOF and a Payment Service Provider exists for electronic payment services that is executed as part of the Citywide Payments and Receivables Program, attached as Appendix A. It is through this demonstration project contract that the Payment Service Provider will be providing electronic payment services to TLC. The term of the demonstration project contract is for three years, ending on December 14, 2014.

TLC may choose a start date for this MOU anytime after the start date of the demonstration project contract, which became effective on December 15, 2011.

The MOU shall remain in effect after the end date of the demonstration project contract as DOF anticipates having one or more Payment Service Provider(s) engaged before the termination of the demonstration project with the current Payment Service Provider. DOF will ensure that TLC's payment processing services will continue without any lapse. This MOU may be amended if a new Payment Service Provider is engaged after the termination of the demonstration project contract.

IV. Scope of Services and Responsibilities

A. DOF will:

1. Perform contract and vendor management, including maintaining the contract, support, and resolution of any issues that arise between TLC and the Payment Service Provider, as needed;
2. Serve as a consultative resource for TLC on issues pertaining to electronic payments, including informing the public of the most cost-effective payment methods;
3. Work with TLC to implement multiple payment channels offered through the Program, including pay by web, check scanning, home banking payment consolidation, lockbox services, in-person, third-party, and mobile payment services;
4. Facilitate the set up of a bank account and merchant identifications;
5. Be responsible for paying the Payment Service Provider for goods and services associated with the currently scoped work. This includes transaction costs, implementation costs, and the costs associated with opening and maintaining a specific TLC bank account as part of the TLC's participation in the Program. DOF's responsibility for paying these costs is contingent upon TLC's compliance with citywide banking policies and applicable state laws and card association rules and regulations;

6. Provide a homepage and gateway that is compliant with all City banking policies and applicable state laws and card association rules and regulations;
7. Provide a structured process for TLC's enrollment and participation in the Program;
8. Inform TLC about timelines and schedule of implementation and ongoing maintenance;
9. Provide TLC with a single point of contact to communicate any issues outside of the standard payment support process;
10. Test transmission of receivables and remittances data between TLC's source system(s), CPRR, FMS, and the Payment Service Provider;
11. Specify the availability of services, scheduled downtimes, and specific notification process between TLC and DOF;
12. In coordination with DoITT, service and maintain all software, hardware, and communications infrastructure related to CPRR, where applicable;
13. Manage the risk associated with security and compliance, data transmission, and overall CPRR infrastructure and data security, where applicable;
14. Provide appropriate controls to ensure accurate data transmission and loading processes, where applicable;
15. Provide TLC's customers with access to pay by web services 24 hours a day, 7 days a week, minus any scheduled maintenance windows as specified in the SLAs with DoITT or the Payment Service Provider;
16. Provide user-friendly receivable search functionality within pay by web services through its Payment Service Provider;
17. Provide a unique payment identifier or receipt number for each payment made through said pay by web services;
18. Provide TLC and its users business hours support for payment issues or troubleshooting;
19. Provide remittance advice, including reversals and returns, for all payments received through CPRR to TLC per a mutually agreed upon format and update schedule;

20. Update FMS with cash receipts according to agency budget codes and revenue sources, whether single or multiple Agency budget codes and revenue sources are involved, where applicable;
21. Provide TLC with reporting tools from Payment Service Provider to support reporting and reconciliation responsibilities.

Note: Not every service or responsibility listed above applies to each implementation. DOF will advise TLC on which services and responsibilities are applicable to each of its implementations.

B. TLC will:

1. Provide DOF, for each implementation, a point person for each of the three areas listed: fiscal, program/operations, and IT. The point person will liaise with DOF and be responsible for communicating agency decisions and approvals for issues within his or her respective area;
2. Be responsible for paying any and all costs associated with customizing features that are outside the standard scope of program services. TLC will pay for these costs through an interagency transfer of funds to DOF. TLC will be notified in advance of any work qualified as "custom" along with the associated cost of such work and will approve such work in advance of it being committed to;
3. Be responsible for paying any and all costs associated with hardware purchased or rented through Payment Service Provider. Examples of hardware are check scanning machines, POS terminals, or other physical goods not included in the standard program services;
4. Notify DOF if there will be changes to its requirements, use of services, or the volume of transactions expected;
5. Continue to be responsible for customer inquiries and return requests from its customers as well as managing its business processes;
6. Investigate and follow up, as necessary, on all card chargebacks to TLC remittances as noticed by the card processor within the time frame required by the card processor;
7. Reconcile FMS on a monthly basis with cash receipts posted from CPRR against bank account balances and notify the appropriate DOF and Payment Service Provider as needed in accordance with Item 13;
8. As part of its participation in the program, work with its customers to guide them toward the most cost-effective payment channels;

9. Provide appropriate control data per best practice (e.g. separate file with transaction or dollar totals sent, or a checksum of transactions) to adequately ensure successful load of TLC receivables data;
10. Provide CPRR or Payment Service Provider with open receivables data for cash basis revenue in a mutually agreed upon format and schedule;
11. Test transmission of receivables and remittances data between TLC's source system(s) and CPRR or Payment Service Provider, as necessary;
12. Receive remittance advice, including reversals and returns, for all payments received through CPRR or Payment Service Provider to TLC per a mutually agreed upon format and schedule for update to the TLC system of record;
13. Notify DOF within five (5) business day if there are any discrepancies, errors, or exceptions around receivables and/or remittances processed through CPRR or Payment Service Provider not previously detected by DOF;
14. Respond to inquiries as initiated by DOF payment support representatives within five (5) business days or less depending on the urgency of the inquiry;
15. Provide DOF with up to date contact information for the recipient of agency-specific service requests;
16. Comply with all relevant rules, regulations, and policy as advised by DOF staff and/or relevant oversight agencies.

Note: Not every service or responsibility listed above applies to each implementation. DOF will discuss with and advise TLC on which services and responsibilities are applicable to each of its implementations.

V. Pricing and Payment

For the initial scope of services defined in Section IV of this MOU, there are no implementation costs or transaction fees expected from TLC to DOF as long as TLC complies with recommended credit and debit card fee approach, as detailed in the Installation Checklist, and any other citywide policy. DOF also agrees to pay the costs associated with opening and maintaining a bank account opened on behalf of TLC as part of its participation in the program. If TLC does not comply with fee credit and debit card fee approach or other citywide policy, the agency will be responsible for paying these costs. These costs are identified in the fee schedule set out below. Regardless of its compliance with all citywide policy, TLC is responsible for paying for all costs associated with customization or hardware. DOF will make TLC aware of these costs prior to any work being done.

Service	Unit Cost	Monthly Cost
Monthly DDA*	\$34.00 per month	Fixed—recurring
Online ACH transaction cost	\$0.075 per web payment	Variable—depends on transaction volume
Online credit card transaction cost**	\$.314 per web payment	Variable—depends on transaction volume
Card network fees	Variable based on card used for each transaction	Variable—depends on transaction volume

*Includes debit filter fee. Debit filter is the protective feature which ensures that only approved third parties are able to initiate authorized ACH debits on an account. For security, this feature is required for all agency participants.

**Includes the channel and card processing fees for both the transaction amount and the convenience fee.

VI. Data feed to FMS

If applicable, DOF will provide TLC with a feed of its payment data to FMS. If TLC's implementation includes a feed to FMS, TLC must provide DOF with accurate revenue sources and update DOF if there are any changes to its revenue sources or their structure. TLC must notify DOF of any changes that would affect its data to FMS sixty (60) days prior to those changes taking affect. TLC must notify the contacts from DOF listed in Appendix B.

TLC agrees to follow best practices as outlined by oversight agencies and offices. TLC will be responsible for reconciling FMS on a monthly basis for its revenue codes with cash receipts posted from CPRR against bank account balances.

As of the execution date of this MOU, DOF and TLC agree that the revenue sources are accurate and truly represent revenue sources structure for TLC and any other Agency for which TLC collects and deposits funds. Future changes to TLC's revenue source or structure will follow an agreed-upon change management procedure for incorporation into CPRR.

VII. Duration of agreement, amendments and modifications

This MOU can be extended beyond the demonstration project contract between DOF and the current Payment Service Provider. Pursuant to the demonstration project contract, if the current Payment Service Provider continues to provide payment services during a transition period that cannot exceed 6 months after the expiration of the demonstration project contract, TLC will continue to receive these payment services. This MOU may be amended if a new Payment Service Provider is selected at the completion of the demonstration project contract. At that time, DOF will notify the TLC of any necessary amendments. If a new Payment Service

Provider is selected, DOF will transition TLC to a new vendor and will work with TLC to ensure that there is no gap in services.

If TLC wants to terminate this MOU before the end of the demonstration project contract, or any subsequent contract entered into after the termination of the demonstration project, TLC will give no less than 30 days notice in writing to the primary DOF contact listed on this MOU. Similarly, DOF will give TLC no less than 30 days notice if the demonstration project contract will terminate before its expected end date or will be extended beyond it.

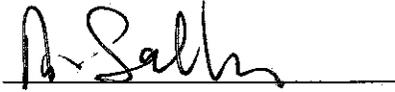
DOF and TLC also acknowledge that this MOU is not a legally binding instrument as between the two parties, and their respective obligations to each other, and is only intended to set forth the understandings of the parties without creating any legally enforceable rights or obligations. However, during the term of this MOU, both DOF and TLC are legally bound to adhere to all the terms and conditions of the demonstration project contract, the terms and conditions of the Payment Service Provider, citywide banking policies, and applicable state laws and card association rules and regulations.

VIII. Resolution of disagreements

If either DOF or TLC has reason to believe that the other agency has not performed its responsibilities as part of this MOU, or should disagreement arise on the interpretation of the provisions of this agreement, or amendments and/or revisions thereto, that cannot be resolved at the operating level, the area(s) of disagreement shall be stated in writing by each party and presented to the other party for consideration. If agreement on interpretation is not reached within 30 days, the parties shall forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

Signatories and Contact Information

Department of Finance



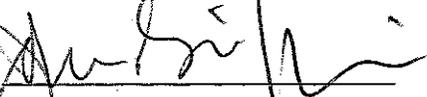
Primary Signatory and Contact
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1/8/13
Date



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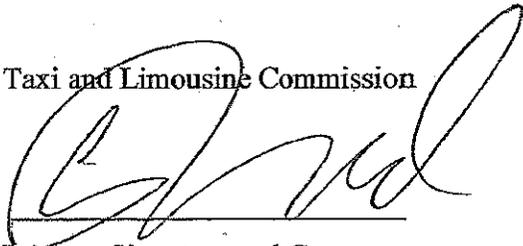
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Date

Appendix A

Citywide Payments and Receivables Program
Demonstration Project Contract
Attachment

Appendix B

Contacts

Department of Finance contacts

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Fiscal/budget contact

IT contact