

V.

Consider authorizing Judge to sign release of lien for Northeast Round Rock Road District #1.

No action was taken on this agenda item.

THE ROAD DISTRICT MEETING ADJOURNED AT 11:12 A. M. ON TUESDAY, JUNE 12, 2001.

THE FOREGOING MINUTES recorded on Minutes Pages 1 through 324, inclusive had at a Special Session of Commissioners' Court of Williamson County, Texas, having been read are hereby approved this 19th day of June, 2001.



John C. Doerfler, County Judge

ATTEST: Nancy E. Rister, Clerk County Court & Ex-officio Clerk,
Commissioners' Court, Williamson County, Texas

By: 

Deputy Clerk

OFFICIAL PAYMENTS CORP.



A Response to
Williamson County, State of Texas

Request for Proposal

Internet and Telephone Payment Procedures for the
County Tax-Assessor/Collector Office

Proposal No. 01WC705

Attention:
Ginny Atkinson,
Assistant Purchasing Director
Williamson County Auditor's Office

*Presented May 31, 2001
by Official Payments Corporation*

*Mr. August Skopik
281-398-1155
askopik@officialpayments.com*

OFFICIAL PAYMENTS CORP.



Michael G. Barrett
CHIEF INTERNET & SALES OFFICER

May 31, 2001

Ms. Ginny Atkinson
Assistant Purchasing Director
Williamson County Auditor's Office
Purchasing Department
710 Main Street – Suite 303
Georgetown, Texas 78626

Dear Ms. Atkinson:

Official Payments Corp., the leading provider of electronic payment options to government entities, is pleased to present to Williamson County the enclosed proposal of our award-winning Internet and Interactive Voice Response (IVR) payment solutions. These systems will enable the County to accept credit and PIN-less debit card payments, as well as electronic checks via our proven and secure systems, engineered specifically for the public sector. Our payment solutions, which utilize the power of the Internet and the world's most common and understood terminal, the telephone, can reach 96% of the citizens of Williamson County. This mix of payment modes comfortably supports an evolution of payments as citizens migrate to the Internet while maintaining the access to our systems via an IVR platform.

Benefits for Williamson County

- Projects a technologically advanced image of the County to the public
- Savings of staff time resulting in reduced expenses as transactions from our payment solutions help to eliminate:
 - Long lines at County agency offices
 - Opening, sorting, and distributing mailed in payments
 - Endorsing, balancing, and depositing checks
 - Processing of returned checks
- Acceptance of American Express, VISA, MasterCard, Discover Card, PIN-less debit cards and Electronic Checks
- Authorization of each card transaction prior to accepting payment
- Settlement of funds via the Automated Clearing House (ACH)

- 100% of the transaction amount delivered to County
- Provides daily reports by transaction and a monthly summary by day for balancing

Benefits for your Citizens

- Provides an alternate payment method involving no check writing, stamps, or mail
- Offers a true credit transaction which can be financed over time
- Citizens may gain rewards (such as mileage) depending upon their credit card company programs
- Convenience of paying by the Internet or telephone worldwide
- Payment availability 24 hours a day/7 days a week/365 days a year
- Issues a receipt number to the caller upon completion of transaction
- Multi-language scripting capability (English, Spanish, etc.)

Summary of Official Payments' Approach

Official Payments has Proven, Secure, Scaleable Technology

Official Payments provides a client/server-based system, which is on-site at our San Ramon, CA offices. Our technology is state-of-the-art, including Fault Tolerant Industrial hardware, 24 hour/7 day on-site service, and 32 bit architecture (both hardware and software).

Beyond the power of the Internet, our IVR payment solutions can be expanded to support sufficient capacity to avoid "busy signals" and we will monitor usage during the contract period, including adding capacity as volume increases at no additional cost.

In addition to the normal securing of data and credit card numbers, Official Payments reports encrypt all customer credit card numbers to ensure customer confidence and to protect the County.

Official Payments is Experienced as the Proven Provider

Official Payments has a large resource pool with extensive experience and expertise in various types of installations. Our extensive product knowledge and experience will shorten the development cycle and substantially reduce the effort expended by County employees through:

- Elimination of Scripting Committees
- Fully operational payment systems throughout the United States
- Largest number of installations providing product experience, reliability and enhanced features

Official Payments Uses Evolving Technology

In addition to our experience with Internet and IVR payment processing, we are consistently enhancing our existing products with new features and capabilities. They include:

- **Mirror Balancing.** Our ability to balance credit card batches and resolve exceptions far exceeds any competitive offering.

- **Multi-Language Support.** Our unique method of fully duplicating the entire script in a second through ninth language without software re-write provides extensive flexibility and user friendliness.
- **Application Experience:** Our product knowledge and systems design questionnaires substantially reduce the clients' efforts required to develop an Internet and IVR application.
- **Fault Tolerant Hardware:** Highly recognized as the standard in quality and reliability.
- **24 hour/7 day systems maintenance service**
- **On Demand Reporting** via fax or e-mail.
- **Any mainframe interface:** We provide both enhanced product capabilities along with hands-on experience.
- **Any credit card processor/bank interface**
- **Marketing Support:** Official Payments will provide a comprehensive array of marketing support materials including some or all of the following: press releases, point-of sale items, logos, graphics, and language that can be used directly in County communications materials such as tax booklets, bills, inserts, citations, and your website.

Official Payments will support a collaborative effort with The Williamson County Information Services to deliver a complete Internet based tax payment system supported by an Interactive Voice Response (IVR) system. These systems will be available twenty-four hours a day and seven days per week to accept payments.

Official Payments is a company dedicated to developing, marketing, installing, and maintaining Internet and IVR payment solutions. When you select Official Payments, you are selecting more than just a well designed Internet/IVR service and electronic check service. You are partnering with a team dedicated to processing your electronic payments in the fastest, smartest, safest methods possible.

Thank you for considering Official Payments Corporation.

Sincerely,



Michael Barrett

**INTERNET AND TELEPHONE PAYMENT PROCEDURES FOR THE COUNTY
TAX-ASSESSOR/COLLECTOR OFFICE**

PROPOSAL NUMBER: 01WC705

PROPOSAL OPENING DATE & TIME: MAY 17, 2001 - 10:00 AM

The undersigned, by his/her signature, represents that he/she is authorized to bind the proposer to fully comply with the terms and conditions of the attached Request for Proposal, and Specifications for the amount(s) shown on the accompanying Proposal sheet(s). By signing below, you have read the entire document and agreed to the terms therein.

NAME OF PROPOSER: OFFICIAL PAYMENTS CORPORATIONMailing Address: Three Landmark Square
City: Stamford State: CT Zip: 06901Email Address: mbarrett@officialpayments.comTelephone: (203) 356-4200 Fax: (203) 969-0303m Barrett Date of Proposal: _____
Signature of Person Authorized to Sign ProposalName and Title of Signer: Michael Barrett, Chief Internet and Sales
(Please Print or Type) Office

DO NOT SIGN OR SUBMIT THIS FORM
WITHOUT READING ENTIRE DOCUMENT

THIS FORM MUST BE COMPLETED, SIGNED AND RETURNED WITH BID

**WILLIAMSON COUNTY
PROPOSAL SPECIFICATIONS**

**INTERNET AND TELEPHONE PAYMENT PROCEDURES FOR THE COUNTY TAX-
ASSESSOR/COLLECTOR OFFICE**

PROPOSAL NUMBER 01WC705

PROPOSAL OPENING DATE & TIME: MAY 17, 2001 - 10:00 AM

Introduction

Williamson County is requesting Proposals from qualified entities to provide services to the Tax-Assessor/Collector office for the receipt of Internet and Telephone Payments to the County. The objective of this RFP is to identify the entity that demonstrates a plan that provides the highest level of service at the lowest overall cost.

Information to be included in Proposals

The following items should be specifically addressed in the Proposals submitted:

- Internet and Telephone collection of taxes using credit cards and electronic checks
- How such collected funds would be tendered to the county's bank
- Length of time for funds to be deposited to the county's bank
- How payments would be interfaced into the tax office computer system
- What costs there would be to the county
- Length of time to go live once a contract is signed
- Minimum of three (3) references where similar services are being provided

In addition to the above, you are encouraged to provide additional items that you believe will enhance the implementation and ongoing success of this program.

Your Proposal should be attached to the Official Proposal Form (Page 5 of 7) which has been completed and signed.

Official Payments Corporation
Response to Proposal Number 01WC705
Internet and Telephone Payment Procedures for the County Tax Assessor/Collector Office

Introduction

Official Payments Corporation (Nasdaq: Official Payments) is the leading provider of electronic payment options to government entities. The company's principal business is enabling consumers to pay their government taxes, fees, fines, and utility bills electronically via Internet and telephone. The company is unequalled in market penetration and national footprint.

Official Payments has agreements to collect and process credit card payments with the Internal Revenue Service, 18 state governments including: Alabama, Arkansas, California, Connecticut, Illinois, Iowa, Kansas, Maryland, Minnesota, Mississippi, New Jersey, New York, Ohio, Oklahoma, Virginia, Washington, West Virginia, Wisconsin, and the District of Columbia. And, more than 800+ counties and municipalities in 45 states have chosen our services to present many of our 1,200+ electronic payment services to their citizens. In 2000, Official Payments collected and processed over \$925 million in federal, state and local government payments.

Official Payments is proud to serve more than 90 clients in Texas by providing both tax collections and court collections. Please see Exhibit A for a full list of our Texas clients. We currently provide our electronic payment services to 13 Texas County Tax Assessor/Collector Offices including: Bandera County, Bexar County, Brazoria County Tax Office, Brazos County Tax Office, Coke County, Chambers County Tax Office, Denton County Tax Office, Irion County, Jefferson County Tax Office, McLennan County Tax Office, Reagan County, Walker County and Wharton County Tax Office. Several of our Texas county clients have been providing Official Payments electronic payment options for a number of years.

We currently provide more than 1,200 payment types to our clients including, sales and use taxes; estimated, extension, balance-due, and past-due personal income taxes; real estate, personal property, and school district taxes; fines for speeding and other traffic rule violations; parking rule violations; public university tuition payments; water, electricity, and gas bills; and more.

Our county and municipal clients' citizens can pay with all four major credit cards, VISA, MasterCard, American Express and Discover Card. Our Internet and IVR (telephone) solutions comply with each of the credit card company's rules and regulations. Please see Exhibit B for Credit Card Acceptance Best Practices.

Official Payments would like the opportunity to help Williamson County provide the most safe and secure electronic payment options to its citizens.

As requested, this Official Payments proposal will specifically address the following items:

- Internet and Telephone collection of taxes using credit cards and electronic checks
- How such collected funds would be tendered to the county's bank
- Length of time for funds to be deposited to the county's bank
- How payments would be interfaced into the tax office computer system
- What costs there would be to the county
- Length of time to go live once a contract is signed
- Minimum of three (3) references where similar services are being provided

Internet and Telephone collection of taxes using credit cards and electronic checks

Official Payments Corp. provides both Internet and Telephone (IVR) solutions for the collection of taxes using credit cards and electronic checks. Our solutions and practices comply with both the Texas Tax Codes and credit card rules and regulations. MasterCard, VISA and American Express do not allow a convenience fee to be added where a cash transaction is accepted. Please refer to http://www.mastercard.com/consumer/cust_serv.html for the MasterCard position on this issue.

Interactive Voice Response (IVR) Payment Solution

Features of our IVR Payment Center include:

- Top security: Secured private network ensures reliable transactions
- Easy access: All citizens with access to a telephone can pay taxes, fines, or fees by calling a toll-free number
- Validation of amount owed to the County
- User-friendly Interactive Voice Response interface that allows for easy, accurate data, ACH, and credit card entry
- Real-time authorizations: Instant authorizations
- Confirmation numbers issued to users for record-keeping
- Customer service: Easy access to answers to support
- Seamless integration with existing government systems for reporting and settlement

Our IVR payment solution 1-800-2PAY-TAX processes credit card, PIN-less debit card, and ACH payments by phone. This payment solution is easily established to accept payments for taxes and other amounts owed other County agencies and departments.

While the customer/user is on-line, the system links to the processor for validation. When the payment transaction is successfully completed, the Official Payments system issues the customer/user a receipt number, which is either generated by our system or taken from the host as part of the reciting process. The customer/user is notified if the payment procedure cannot be completed for any reason. If the authorization is denied, the system advises the customer/user that the payment was not completed and they need to contact the bank involved. Notification by e-mail will be sent to the County and consumer on any charge backs.

In the Official Payments IVR solution, a customer calls 1-800-2PAY-TAX from any telephone and follows this process:

1. Select a Service: User chooses to make a Federal, State or Local payment
2. Data Entry: User is prompted to enter the Williamson County four-digit jurisdiction code. (*Williamson County should communicate via their tax statements the Official Payments collection number and jurisdiction code.*)
3. Verification: User verifies payment amount.
4. Data Entry: User enters Payment Amount, User Identification Number, Users' Name, Contact Telephone Number, and Payment Information.
5. Data Submission: Verification of previously entered user data. If correct, user submits the information for processing.
6. Data Processing: User holds momentarily while transaction is processed.
7. Confirmation Number: Confirmation number is issued, and user is enabled to complete other payments or end the session. If a transaction is rejected, the customer will have the opportunity to start over by giving a new card number or by returning to the beginning of the transaction.

Our proven safe and secure systems provide privacy and security of data. At Official Payments payment information is stored at the San Ramon facility for one month. Confidential information is secured behind firewalls and only the last four digits are saved; the cartridges are then moved offsite to a vault security compound. A razor-wire fence and security gate surrounds the compound. Cartridges are stored in vaults with 14" concrete/2" ferrous metal vaults. The vaults are constantly monitored.

Internet Payment Solution

Features of our Internet Payment Center include:

- Top security: Highest level of encryption technology (128-bit SSL, version 3) and a secured private network ensure reliable transactions
- Easy access: Ability for users to hyperlink to Payment Center from government entity's website, or access it directly at www.officialpayments.com
- User-friendly screens that allow for easy, accurate data and payment information entry
- Real-time authorizations: Instant, online authorizations
- Confirmation numbers issued to users for record-keeping
- Customer service: Easy access to answers to Frequently Asked Questions, fee schedules, and telephone numbers for support
- Seamless integration with existing government systems for reporting and settlement
- Redundant systems: Two payment server sites ensure complete data reliability
- Official Payments does not employ the use of cookies

Our Internet payment solution makes maximum use of current technology and utilizes best-in-class vendor partners as part of our payment solution. This payment solution can be easily established to accept payments for taxes, fees, fines, licensing and other amounts owed County agencies and departments. Our two (2) Internet servers (situated in Cupertino, CA and Beltsville, MD) are housed in facilities owned and operated by Digex, one of the country's premier business Internet Service Providers and website management organizations.

We utilize a 128-bit Secure Socket Layer (SSL) encryption technology from the user's browser service to www.officialpayments.com, to prevent unauthorized access. At the Official Payments Website, customer/user data and credit card information is stored in an encrypted manner in an internal file that is further protected by a secure firewall utilizing the most advanced technology currently available. Our server has internal monitoring and reporting features to prevent unauthorized intrusions.

Our Internet solution will capture the user's first name, last name, Social Security number, mailing address, city, county, zip code, daytime phone number, e-mail address, payment amount, credit card number or account numbers, credit card expiration date (if necessary), and any other data the County may require. Our Internet solution performs an online authorization of American

Express, VISA, MasterCard, Discover Card, PIN-less debit cards and e-checks and returns to the user a confirmation of the approved payment with a unique confirmation number.

For optimal performance and to drive the highest volume of traffic, Official Payments suggests that the County site be accessible via the Official Payments site, www.officialpayments.com, and the County site at <http://www.williamson-county.org/Assessor/Tax.html>. This ensures that the site captures traffic in two ways: primarily from citizens seeking information about the County, who arrive at the site following the County's promotional materials. Secondly, the County benefits from traffic of citizens who may be making federal or related payments and become aware of the County site from their visit to the Official Payments site. Some examples of use of both websites in Texas can be found at are <http://www.co.bexar.tx.us/tax/> and <http://www.co.jefferson.tx.us/>.

The customer will access the payments center via a given route and will follow the sample Internet payment process given below.

The user, with a copy of their tax statement, will

1. Payment Process: Select a service, user chooses to make a federal, state, or local payment.
2. Enter Information: User selects a specific payment type and enters payment amount.
3. Accept Terms: User reviews information previously entered.
4. Complete Details: User enters name, address, contact information, tax identification number, and payment information. Verification of previously entered user data. If correct, user submits the information for processing.
5. Confirm Details: Previously entered user data is verified. If correct, user submits the information for processing.
6. Receive Digital Receipt: User is issued a confirmation number and a digital receipt.

Official Payments system creates a daily transaction report detailing each individual transaction; the report is then submitted to the client. The preferred delivery method is via e-mail to insure accuracy, but reports can be sent via fax. These reports, (please see Exhibit C), break out each individual transaction and account information and will be covered in more detail in the section "How payments would be interfaced into the tax office computer system."

How such collected funds would be tendered to the county's bank

Official Payment's processing window is open until 2:00 a.m. CST. All transactions that occur prior to that time are then grouped by credit card type and sent the appropriate credit card processor. MasterCard and VISA transactions are paid together in an ACH deposit into Williamson County's selected bank account. American Express and Discover Card transactions are grouped by card type and settled directly to Williamson County by these credit card companies via ACH deposit.

Official Payments acts as an intermediary agent with relationships with each of the credit card companies or processors. Official Payments representatives will initiate any adjustments or inquiries on Williamson County's behalf. The amount deposited will only be the amount committed for the tax payments, and the convenience fees are settled directly with Official Payments and are between Official Payments and the customer.

Length of time for funds to be deposited to the county's bank

MasterCard and VISA transactions will settle within 48 banking hours into Williamson County's local bank of choice. American Express and Discover Card transactions settle within 72 banking hours. The convenience fee is charged as a separate item, so two line items appear on the user's credit card. The convenience fee is settled separately to Official Payments while the payment itself settles to the government entity's bank account. The government entity does not receive any commingled funds.

How payments would be interfaced into the tax office computer system

Our systems maintain a daily transaction log detailing each payment processed. Overnight, our master control system downloads files from both the Williamson County account and the credit card clearing facility for the nightly batch balancing procedure. Our systems automatically transmit a "mirror" balanced report to the County each day to ensure that the payments posted are in Automated Clearing House (ACH) processing.

All transactions processed by 2:00 am CST will be reported to Williamson County in one of several formats for interfacing into the tax office computer system:

1. VIA facsimile for manual updating or VIA e-mail for manual updating. Please see Exhibit C for sample Daily Report
2. VIA email in a flat file format for customized tax system integration. Please see Exhibit D for sample flat file. This customization would need to be coordinated and paid for by the Williamson County tax office.

The daily report totals can be used by the County for deposit slip information and to compare with their banks' records.

Official Payments systems also produce a monthly transaction log that outlines the total number of payments processed and the total collected by our systems during the period covered by the report.

What costs there would be to the county

Official Payments absorbs all costs related to development, implementation, maintenance, telecommunications and all transaction processing fees and costs. Additionally, Official Payments Corporation absorbs all credit card acceptance fees. In return, Official Payments will assess a convenience fee (in accordance with all Federal, State, and Local laws as well as credit card regulations) to those customers/users who pay amounts owed to the County through either payment solution. Please see Exhibit E for convenience fee schedule. The customer/user must confirm the convenience fee in order to proceed with the payment and receive a confirmation number. The customer/user can exit out of the payment session at any time without cost or penalty.

Official Payments processes the convenience fee as a separate transaction in the name of Official Payments and settles these transactions to our own designated settlement institution. This transaction is clearly described on the customer/user's card statement.

Official Payments processes the payment amount owed to the County as a separate transaction in the name of the County. Settlement of these funds will be deposited to the designated Williamson County bank account.

As a result, our Internet and IVR payment solutions will be free of charge to Williamson County.

Length of time to go live once a contract is signed

Official Payments will require sixty (60) days to activate the Williamson County account once it receives the following completed documentation:

1. Signed Letter of Understanding, (Exhibit F).
2. Signed and completed Electronic Deposit Instructions, (Exhibit G).
3. A sample of the Williamson County Tax statement and an understanding of the account reconciliation process.

This sixty (60) day period is needed to have the credit card companies properly assign your account numbers and to insure testing of the Internet and IVR modules.

Minimum of three (3) references where similar services are being provided

Jefferson County, TX Electronic Payments Processing	Miriam Johnson 1149 Pearl Street Beaumont, TX 77701 (409) 835-8714	Personal Property Taxes and Real Estate Taxes are accepted. Taxpayers can pay with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com .
Brazoria County, TX Electronic Payments Processing	Ro'Vin Garrett 111 E. Locus, Suite 100A Angleton, TX 77515 (281) 756-1620	Personal Property Taxes, Real Estate Taxes and Mineral Taxes are accepted. Taxpayers can pay with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com .
Brazos County, TX Electronic Payments Processing	Gerald "Buddy" Winn 300 E. William J. Bryan Pkwy. Bryan, TX 77803 (979) 361-4471	Personal Property Taxes, Real Estate Taxes, Mobile Home and Mineral Taxes are accepted. Taxpayers can pay with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com .
Internal Revenue Service Electronic Payments Processing	Mr. Larry Faulkner 5000 Ellin Road Lanham, MD 20706 202-283-4783	Taxpayers can pay Form 1040 - Tax Year 2000 Individual Income Tax Return, Form 4868 - Tax Year 2000 Application for Automatic Extension of Time to File, and Form 1040ES - Tax Year 2001 Estimated Taxes for Individuals with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com . A new contract was recently signed that runs through October 2002.
California Franchise Tax Board Electronic Payments Processing	Ms. Benie Felix P.O. Box 1468 Sacramento, CA 95812 916-845-4340	California taxpayers can pay Individual Income Balance Due, Estimated and Extension Taxes, as well as Delinquent Taxes. In addition Sales and Use Taxes and Benefits Overpayments can be made. Taxpayers can pay with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com .
Bexar County, TX Electronic Payments Processing	Mr. Ernesto Castro 233 North Pecos, Suite 520 P.O. Box 839950 San Antonio, TX 78283-3950 210-335-6585	Personal Property and Real Estate Taxes are accepted. Taxpayers can pay with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com .
Arlington County, Virginia Electronic Payments Processing	Ingrid Morroy 2100 Clarendon Blvd. Arlington, VA 22201 703-228-3075	Real Estate, Personal Property, Utilities, and Parking are accepted. Taxpayers can pay with a credit card via IVR by dialing 1-800-2PAY-TAX or connecting to the Internet at www.officialpayments.com .

EXHIBIT A
Official Payments Corp. - State of Texas Client List

Abernathy Justice of the Peace #3, Hale	City of Odessa	South Houston
Austin County Justice of the Peace Precinct #4	City of Rockport	Swisher County
Bandera County	City of Saginaw	Swisher County & District Court
Bandera County	City of Sealy	Tarrant County
Bay City Municipal Court	City of Sugar Land	Tarrant County Clerk's Office
Bexar County	City of Temple	Tarrant County Justice of the Peace Precinct #1
Boerne Municipal Court Citations	City of Victoria	Tarrant County Justice of the Peace Precinct #2
Brazoria County Court Collections	City of Webster	Tarrant County Justice of the Peace Precinct #4
Brazoria County Tax Office	Clear Lake Shores	Tarrant County Justice of the Peace Precinct #5
Brazos County	Cleburne Municipal Court	Tarrant County Justice of the Peace Precinct #7
Brazos County Tax Office	Coke County Tax Collector	Victoria County
Cameron County	Collingsworth County District Clerk	Walker County
Chambers County Tax Office	Collingsworth County Justice of the Peace	Weslaco Municipal Court
Childress County Justice of the Peace Precinct #1	Coppell Municipal Court	Wharton County Tax Office
Childress Municipal Court	Denton County	Wheeler County Justice of the Peace #2
City of Alamo Heights	Fort Bend County	Wichita Falls Municipal Court
City of Baytown	Friendswood Municipal Court	Wilbarger County Justice of the Peace
City of Beaumont	Ft. Worth Municipal Court	Woodway City Carleen Bright Arboretum
City of Beverly Hills	Galveston County	Woodway City Customer Service
City of Boerne	Garland Municipal Court	Woodway City Municipal Court
City of Bridge City	Gray County	Woodway City Public Safety
City of Brownsville	Hall County Justices of the Peace 1, 2 and 3	
City of College Station	Hardeman County Justice of the Peace	
City of Coppell	Harris County Criminal Courts at Law	
City of Dickinson	Hartley County	
City of Dickinson	Irion County	
City of El Campo	City of LeMarque	
City of Friendswood	City of Lott	
City of Galveston	City of Nacogdoches Municipal Court	
City of Joshua	Jefferson County Tax Office	
City of Keene	Kerr County	
City of Kemah	LaSalle Justice of the Peace Precinct #1	
City of Killeen	McLennan County Tax Office	
City of La Joya	Montgomery County Criminal Courts	
City of La Porte	Reagan County	
City of Lake Jackson	Richardson Municipal Court	
City of Leander Municipal Court	San Jacinto County	

EXHIBIT B

Credit Card Acceptance Best Practices

Government collectors of various taxes, fees, and fines (i.e. personal income taxes, sales and use taxes, property taxes, tuition payments, etc.), have increasingly become interested in accepting credit cards for payments. Constituents increasingly demand their acceptance (i.e. <http://www.visabrc.com/doc.phtml?4,0,440>), and accepting credit cards often increases collections (i.e. <http://www.visabrc.com/doc.phtml?4,0,438>) and lowers costs (i.e. <http://www.visabrc.com/doc.phtml?4,0,439>). The key to government acceptance is establishing how to best handle this complex process within the guidelines set up by their legislative bodies and the credit card rules and regulations.

Government needs:

1. **To comply with existing laws, codes, rules or regulations. Many states have statutes requiring no discounting of taxes for payments. The credit card companies do not allow a convenience fee to be passed to the customer where they can make a cash payment for less, and have set up websites to help compliance of this rule (i.e. http://www.mastercard.com/cgi-bin/form/consumer/custserv_rqst_template.html).**

Official Payments' solution: Official Payments provides an IVR and Internet solution that complies with the credit card rules and regulations and allows the government entity to pick a solution that best fits their business model (i.e. convenience fees).

2. **The government entity needs to have an effective cost solution to handle credit card processing that does not create extra responsibility for the processing clerks.**

Official Payments' solution: Official Payments provides a free service to government collectors above \$5MM in collections. Collections can be combined within a county, city or state to reach this threshold. The clerks do not physically handle the credit cards, eliminating liability or public relations issues.

3. **The government entity needs quick and direct settlement, and does not want the funds commingled with the convenience fees or reported as commingled on the customer's statements.**

Official Payments' solution: Official Payments settles within 48/72 banking hours into the government entity's local bank of choice. The convenience fees are separated on both the reporting to the customer and from settlement to the government entity's bank account. The government entity does not receive any commingled funds.

4. **The government entity's money should not be processed through a third party bank account. The credit card companies should settle directly with the government entity.**

Official Payments' solution: Official Payments processes the data and passes the credit card data directly to the credit card processing companies. These companies directly deposit via ACH into the government entity's designated account(s). Official Payments does not receive the government entity's money in the settlement process, nor does it report these transactions on its balance sheet.

5. **The government entity needs financial protection to protect its money in case of lost transactions, fraud or bankruptcy that has occurred in the market.**

Official Payments' solution: Official Payments has been required by the IRS to have in place financial protection and guidelines that are the most stringent employed in the industry. Official Payments has financial protection and insurance to protect against these risks in a multiple of many times what the largest individual transaction per credit card can be. Official Payments is a public company listed on NASDAQ and has financial reserves to prevent the quarantine of funds recently experienced by government entities when their processor declared bankruptcy. This is another reason why Official Payments does not receive a government entity's settlement money.

6. **The government entity needs to utilize a service that is secure for its customers' protection.**

Official Payments' solution: Official Payments utilizes a 128-bit Secure Socket Layer (SSL) encryption technology from the user's browser service to www.officialpayments.com, to prevent unauthorized access to citizens' information by unauthorized intruders. At the Official Payments website, customer/user data and credit card information is stored in an encrypted manner in an internal file that is further protected by a secure firewall utilizing most advanced technology currently available. Our server has internal monitoring and reporting features that detect and report unauthorized intrusions. Official Payments e-payment solution has recently successfully passed extensive intrusion/policy/procedure tests conducted by the IRS.

7. **The government entity needs to utilize a service that reaches all of its constituents whether they are disabled, digitally challenged or remotely located.**

Official Payments' solution: Official Payments provides both an Internet and IVR (telephone) system that allow a person to call toll-free from anywhere in the United States. Because we provide both Internet and IVR options for the integrity of our government clients, Official Payments provides alternatives for those who have visual and/or auditory disabilities. In addition, in accordance with the Americans with Disabilities Act, we provide additional customer service for disabled adults or others who require special assistance making a payment. For special assistance, call 1-866-621-4109 and select option #5.

7. **The government entity needs to work with a provider that has efficient customer service support for customer questions and issues.**

Official Payments' solution: Official Payments customer support is unparalleled in the industry. Official Payments has devoted customer service representatives that are on available from 7:30 am to 8:00 pm Eastern Standard Time. We support a Frequently Asked Questions web site, and an e-mail support log to respond to customer's questions within 24 hours.

8. **The government entity needs to work with a proven vendor for technical and financial stability.**

Official Payments' solution: Official Payments partners directly with the government on federal, state, and local levels. We are the official credit card payment option partner of the IRS. We also partner with the 18 states, the District of Columbia, as well as 800+ municipalities and counties in 45 states. We have dealt with customers in all 50 states for IRS payments, and work with local clients across the country.

EXHIBIT C **Sample Report**

Daily Transaction Log

Official Payments
1-800-IVR-4567

support@OfficialPayments.com
www.officialpayments.com

Client:

Pulaski County, AR - Real Estate Tax (IVR) ARMULPulskiCo - R1

These Transactions occurred on:

Wednesday, September 6, 2000

Report Creation Date-Time

Thursday, September 7, 2000 2:33 AM

VISA/MC funds will be deposited on the next business day, after the report date.

AMEX/DISC funds will be deposited on the 2nd business day, after the report date

Account#	Trans. Time	Card Type	Receipt Number	Phone #	Trans. Amount	Conv. Fee	Total Charge
123456789	08:19:32	MC	061672	5015551234	795.90	25.00	820.90
123456789	07:41:23	Amex	841262	5015551234	195.14	6.00	201.14
123456789	11:19:00	MC	045733	5015551234	584.56	16.00	600.56
TOTALS					1,575.60	47.00	1,622.60

Total Transactions =		3					
AMEX					Trans. Amount	Conv. fee	Total Charge
					195.14	6.00	201.14
Discover					0	0	0
VISA/MC					1,380.46	41.00	1,421.46

OFFICIAL PAYMENTS CORP.

**Exhibit E**

Convenience Fee Schedule
Tax Payments Only – Tier 67

I - Schedule of Convenience Fees to be paid by Citizens

Payment Amount		Fees
From	To	
\$0.00	\$99.99	\$3.00
\$100.00	\$199.99	\$6.00
\$200.00	\$399.99	\$11.00
\$400.00	\$599.99	\$16.00
\$600.00	\$999.99	\$25.00
\$1,000.00	\$1,399.99	\$35.00
\$1,400.00	\$1,999.99	\$49.00
\$2,000.00	\$2,699.99	\$68.00
\$2,700.00	\$3,499.99	\$87.00
\$3,500.00	\$4,399.99	\$109.00
\$4,400.00	\$5,399.99	\$133.00
\$5,400.00	\$6,399.99	\$159.00
\$6,400.00	\$7,399.99	\$187.00
\$7,400.00	\$8,699.99	\$218.00
\$8,700.00	\$10,399.99	\$262.00
\$10,400.00	\$12,999.99	\$329.00
\$13,000.00	\$17,399.99	\$437.00
\$17,400.00	\$20,999.99	\$525.00
\$21,000.00	\$27,999.99	\$699.00
\$28,000.00	\$35,999.99	\$899.00
\$36,000.00	\$44,999.99	\$1,125.00
\$45,000.00	\$54,999.99	\$1,375.00
\$55,000.00	\$65,999.99	\$1,649.00
\$66,000.00	\$76,999.99	\$1,925.00
\$77,000.00	\$87,999.99	\$2,199.00
\$88,000.00	\$99,999.99	\$2,499.00

II – Other Fees Payable by Agency**None**

EXHIBIT F

May 31, 2001

Williamson County Auditor's Office
Purchasing Department
710 Main Street – Suite 303
Georgetown, TX 78626
Attention: Ms. Ginny Atkinson

RE: Letter of Understanding for Services

Dear Ms. Atkinson:

This letter confirms the terms agreed upon by Official Payments Corporation ("OPC") and the Williamson County Purchasing Department ("Agency"), pursuant to which OPC will provide credit card payment to services (the "Services") to individuals or entities ("Citizens") attempting to make the payments to Agency ("Agency Payments").

A. OPC's Provision of the Services: OPC shall provide the Services in accordance with the following guidelines:

- OPC shall provide Citizens the opportunity to make Agency Payments by credit card and "pin-less" debit card through both an interactive telephone voice response system ("IVR") and Internet interface (the "OPC Website", which together with the IVR, shall constitute the "System").
- OPC shall, on behalf of Agency, collect and process Agency Payments from Citizens using the American Express® Card, MasterCard®, VISA®, Discover Card® or other credit card mutually agreed upon by Agency and OPC (each, a "Card").
- OPC shall begin providing the Services to Citizens on a date to be mutually agreed upon by OPC and Agency.
- OPC may charge Citizens a "convenience fee" for each Card transaction processed (the "Convenience Fee"), to be collected in addition to the corresponding Agency Payment as part of a unified Card transaction. A schedule of the Convenience Fees is attached to this letter as Exhibit A, and OPC may amend this schedule at any time upon prior written notice to Agency.
- Except for any fees to be paid by Agency as set forth in Exhibit A, OPC shall not charge Agency a fee in consideration for OPC providing the Services to Citizens

as contemplated by this letter. Enhancements to the Services or additional services not provided for in this letter, and any related fees payable by Agency in connection therewith, will be mutually agreed upon by OPC and Agency.

- With respect to all “reversed” Card transactions that are substantiated by a Card holder and approved by an authorized representative of OPC and Agency: (i) OPC shall refund to the Card holder the corresponding Agency Payment and Convenience Fee; and (ii) OPC shall debit the Agency’s depository bank account (the “Agency Bank Account”) for the amount of the corresponding Agency Payment.
- With respect to all “chargeback” Card transactions that are substantiated by a Card holder and for which OPC has been charged by the relevant Card issuer, OPC shall debit the Agency Bank Account for the amount of the corresponding Agency Payment.
- OPC shall settle Agency Payment transactions to the appropriate Card organizations, and forward all Agency Payments to the Agency Bank Account. OPC shall retain all Convenience Fees collected by it hereunder. In the event that OPC is unable to collect all amounts owed by Agency hereunder through debiting the Agency Bank Account, Agency shall promptly pay all owed amounts to OPC in immediately available funds.
- OPC will notify each Citizen of the dollar amount of all Agency Payments and convenience fees to be charged to his/her Card and obtain the Citizen’s approval (electronic or otherwise) of such charges prior to initiating credit authorizations.
- OPC will provide Citizens with electronic confirmation of Card transactions.
- OPC will electronically transmit all Card transactions to the appropriate Card-processing center, in real time as the transactions occur, and balance and reconcile electronically captured transactions on a daily basis.
- OPC will retain Card authorization logs and transaction records for such period of time as required by applicable law and the regulations of the respective Card organizations.
- OPC will arrange for a unique line merchant descriptor for the Agency Payment that references the name of Agency and arrange for a separate unique line merchant description for the Convenience Fee that references Official Payments and the nature of the fee.
- OPC will provide Agency with logos, graphics, and other appropriate marketing materials for Agency’s use in it’s communications with Citizens.
- OPC will provide Agency with reports summarizing use of the Services by Citizens for a given reporting period.

B. Agency’s Obligations: In order to provide the Services as outlined in this letter, Agency will be required to comply with the following guidelines:

- Prior to OPC's commencement of the Services, Agency will enter into all applicable merchant Card agreements and fully adhere to the rules, regulations and operating procedures of the various Card organizations, including without limitation, with respect to the use of specific Card logos and marks.
- Other than permitting OPC to charge the Convenience Fees in accordance with this Agreement, Agency will not impose any surcharge or other penalty on Card transactions made by Citizens for Agency Payments.
- Prior to OPC's commencement of the Services, Agency will provide OPC with the electronic record specifications necessary for funds settlement and the posting of Agency Payment data related to the Card payments.
- If applicable, Agency will provide OPC its desired reporting formats sufficiently in advance of the desired report delivery date.
- Agency will reimburse OPC for all chargeback actions resulting from overpayments, duplicate or misapplied payments or unauthorized charges that are substantiated by a Card holder and approved by authorized representatives of OPC and Agency. Agency will provide to OPC all necessary documents and correspondence in connection with such a transaction or other similar refund transaction.
- Agency will establish a reasonable adjustment policy to accommodate adjustments that are required in the normal course of Agency's daily operations.
- Agency will not require, as a condition to making an Agency Payment, that a Card holder agree in any way to waive such person's rights to dispute the transaction with the Card issuer for legitimate reasons.
- Agency will promote the Services to its Citizens. These promotions shall include publishing the relevant telephone number and URL for the Official Payments Website on all tax instruction booklets, tax preparer communications, taxpayer information publications, citations and notices, as applicable, and all related marketing materials. Agency will obtain OPC's consent prior to publishing any materials that reference the Services and/or OPC.

C. Additional Matters

- Confidentiality. Agency will not disclose to any third party or use for any purpose inconsistent with this letter any confidential or proprietary non-public information it obtains during the term of this Agreement about OPC's business, operations, financial condition, technology, systems, know-how, products, services, suppliers, customers, marketing data, plans and models and personnel. OPC will not disclose to any third party or use for any purpose inconsistent with this letter any confidential Citizen information it receives in connection with its performance of the Services, except that OPC may use (1) personal information provided by Citizens to establish and maintain individual user accounts requested to be established by such Citizens with OPC and (2) aggregated transaction data

and IVR and OPC Website traffic information for marketing and public company reporting purposes.

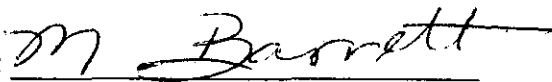
- Intellectual Property. In order that Agency may promote the Services and OPC's role in providing the Services, OPC grants to Agency a revocable, non-exclusive, royalty-free license to use OPC's logo and other service marks (the "OPC Marks") for such purpose only. Agency does not have any other right, title, license or interest, express or implied, in and to any object code, software, hardware, trademark, service mark, trade name, trade dress, formula, system, know-how, telephone number, telephone line, domain name, URL, copyrighted image, text, script (including, without limitation, any script used by OPC on the IVR or the OPC Website) or other intellectual property right of OPC. All Marks and the System and all rights therein (other than rights expressly granted in this letter) and goodwill pertain thereto belong exclusively to OPC.
- Force Majeure. OPC will be excused from performing the Services as contemplated by this letter to the extent its performance is delayed, impaired or rendered impossible by acts of God or other events that are beyond OPC's reasonable control and without its fault or judgment.
- Remedies. Agency's sole remedy in the event of OPC's failure to perform the Services in accordance with the guidelines set forth herein shall be to terminate the arrangement contemplated by this letter.
- Term of Arrangement. The arrangement contemplated by this letter shall continue from the date of this letter until 30 days after such time as either OPC or Agency has notified the other party in writing of its decision to terminate this arrangement.

* * * * *

We look forward to working with you on implementing a successful credit card payments program. Kindly confirm our mutual understanding as set forth in this letter and provide us necessary deposit instructions, by signing the Electronic Deposit Instructions sheet attached. If you have any questions or concerns, please do not hesitate to call me at 203-356-4200.

Sincerely,

OFFICIAL PAYMENTS CORPORATION

By: 
Michael Barrett
Chief Internet and Sales Officer

**EXHIBIT G****ELECTRONIC DEPOSIT INSTRUCTIONS**

The undersigned hereby authorizes Official Payments to deposit Automated Clearing House Credits ("ACH Credits") or wire transfers for the payment of settlements due to Government Entity to the following bank account:

Account Number**Account Name and Address****Bank Name and
Address**

_____	_____	_____
	_____	_____
	_____	_____
	_____	_____

ABA Number_____

Telephone Numbers

() _____() _____

Tax I.D.

Debit transactions may not be charged against this account.

Government Entity: _____

By: _____

Title: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Dated _____