ATM RFP Response to Questions – September 30, 2011

1. Page 5, Section V - States that the term is for 3 years and can be agreed upon for an additional 2 years. It states the vendor has to notify the liquor commission in writing to get an agreement to extend. What is the time frame for notification (if an extension is desired) and who would that request be directed to?

   The time frame for notification should be at least 90 days before the expiration of the original contract.

   The request should be directed to George P. Tsiopras at gtsiopras@liquor.state.nh.us

2. Page 6, Section VI, A – This section requires that a vendor provide a statement that includes the location of their ATM’s, the number of ATM’s and the amount of Gross revenue. This is very sensitive, proprietary information. Will a sample of our list of ATM locations or clients be sufficient? (We are a national company with several thousand ATM locations).

   This requirement was included to illustrate the Vendors current experience and demonstrated capacity to handle the services required. A sample will be sufficient. As stated in the RFP any information provided that is sensitive and proprietary should be clearly marked and noted as such.

3. Page 6, Section VI, D – Does this section indicate that the minimum acceptable bid must state that at least 50% of the surcharge revenue collected from ATM transactions be paid to the NHLC?

   Yes. The minimum acceptable bid must be at least 50% of the surcharge revenues collected from the ATM transactions be paid to the NHLC, however more than 50% can be proposed.

4. We cannot guarantee the units will stand up to all vandalism (and no one can). Will the NHLC be responsible for any vandalism that occurs to the ATM machines?

   We do not expect that vandalism will occur as these machines will be located indoors versus being outside. Having said that, the proposer will be responsible for any vandalism that occurs to the ATM machines as a result of customer use.
5. Page 7, VII, G What does “Central Office” mean? Is that the ATM owner’s central office or the State’s Central office?

Central Office means the ATM owners central office that will be monitoring activity, not the State’s Central office.

6. Page 7, VII, K What type of Alarm system is required? Is an audible alarm sufficient or does it have to connect to an office?

The alarm/ alert should connect to the proposers Central Office. What we’re looking for here is some type of alert to the Central Office if the machine is tampered with, removed or stolen. This may or may not be part of the standard monitoring that takes place from the Central Office, as requested in Page 7, Section VII (G).

7. Is it your intention that the surveillance cameras monitor only the face of the ATM user? If not, what specifically do you wish to record?

Surveillance camera monitoring the face of the ATM user is sufficient.

8. Page 8, R States that the vendor has to pay for electrical connections. Can we conclude that the NHLC will supply the electricity and wants the ATM vendor retain an electrician to install any outlets necessary in the event that there is not an outlet in close proximity to the proposed location?

NHLS will supply the electricity. The NHLC does have a statewide electrical vendor under contract who can install any outlets necessary at our (NHLC) cost.

9. Page 22 Section XXIV – Can we get clarification on what it means when it says that we desire to negotiate? If a vendor indicates that they desire to negotiate certain terms and conditions will that take place prior to the awarding of the contract?

The negotiation of certain contractual terms and conditions will take place prior to the awarding of the contract.
10. The New Hampshire Banking Department requires all non-bank ATM’s to be licensed individually. Each license is for a term of one year. Will there be a waiver from these fees for the NHLC or any “blanket licensing” for all of the machines.

The NHLC does not have the authority to waive any State or other license fees required for non-bank ATMs.

11. When you will be making a decision and what the timeline is for the new vendor to install their machines.

A decision is expected to be made approximately 2 weeks after bid proposals are due. The timeframe for installation will be evaluated in your implementation plan with higher scores going to those who can implemented more timely and expeditiously. Our intent would be to have these installed before the holiday season.

12. Also, do you have any data on the existing ATM's in the locations now?

None of the locations currently proposed have ATM’s, therefore we do not have any historical data to provide. The data provided in Appendix relates to the number of customers shopping for our products within our stores.

13. We have been attempting to get some numbers regarding the percentage of ATM users in the NH Liquor Outlets. There are several models we work with regarding convenience stores, hotels and restaurants/bars or night clubs. The difficulty here is trying to find locations to compare with the liquor outlets. Also, since your stores accept credit cards for purchases, this detracts from ATM usage rates. This is especially true on large purchases. If we utilize convenience Store numbers it is in the 4-8% range. I believe that number will be lower in the Liquor Stores.

Please keep in mind that although we do accept credit and debit cards, we also do not offer cash back at the register for any of our locations. Convenience stores and restaurants are a highly competitive industry in all states, however please keep in mind that in NH the NHLC retail outlets are the only locations where spirits can be purchased. In addition, we feel the uniqueness of having four of our proposed locations directly on major interstates (e.g, I-93 and I-95) presents a great opportunity for this type of service.
14. We would like to clarify your ATM specifications. The type of bank vault you are requesting will add $1,000 per ATM to the cost, and the alarm and video camera would add another $1,000. These added costs may not be necessary since all your liquor outlets are likely already alarmed and have video surveillance in place. In addition, the money in the machines belongs to the vendor; hence the Liquor Commission carries no liability.

We are interested in ensuring that these ATMs provide an extremely high level of security in accordance with current industry requirements. A different vault can be proposed, however, if a different vault is proposed, documentation should be included as to why it was chosen and how it provides the required level of security needed. Internal video cameras will not be required in all locations. Understanding the additional cost required, we have decided to limit this requirement of internal cameras to only 12 of the 25 locations where ATMs will be installed. Some type of alarm is required in all locations to notify the central office if issues arise.

15. Part I, Section VII Technical Standards, Paragraph K (Page 7 of 34) states, “The successful Proposer shall also provide internal surveillance camera systems for each location”. We recognize that there is a perception that most ATMs have internal cameras. However, in our 30 years of industry experience we also know that virtually all non-bank ATMs operate without internal cameras due to the exorbitant expense. We have operated literally thousands of ATMs without the use of an internal camera with great success. This is based on our commitment to always installing the equipment according to the manufacturer’s specifications, continuously monitoring the ATMs, and placing the ATMs in appropriate locations. With this in mind, we need to know if this standard is an absolute requirement of the NHLC.

Internal video cameras will not be required in all locations. Understanding the additional cost required, we have decided to limit this requirement of internal cameras to only 12 of the 25 locations where ATMs will be installed.

16. I suggest a 2-3 month pilot program with five mutually agreed-upon locations. This is the normal time it takes for an ATM to "Ramp up" in a new location. This will allow us to evaluate the ATM program and gauge transaction counts. We can offer this 5 machine program within 2-3 weeks of notice of award by the Liquor Commission. We believe that a phased roll-out of 5 machines at a time makes good fiscal sense and allows for the focus and support needed to assure success. Placing all 25 machines at a cost of approximately $75,000.00 would be a considerable gamble for any company and doesn’t allow for adequate training and support during the start-up process.

The RFP is very specific as to the number of locations and ATMs required.
17. The RFP says machines shall be able to dispense multiple denominations. Does that mean we will be dispensing multiple denominations and what value. The major banks only dispense twenty's. Typically only the casino's do this.

   We are willing to be flexible with regard to this requirement, and hereby state that dispensing only twenty’s will be acceptable.

18. Is IT service available for ATM connection and alarm / camera monitoring. Why alarm / camera. NHLC has no responsibility regarding theft or vandalism, and my processing does not require cameras.

   See above responses to questions 6, 7 & 14.
19. Would the NHLC be willing to allow for promotions to be offered to either NHLC employees / stores, or to the end-users to incentivize greater ATM usage? As an example, could we offer a bonus to the employees of the store that sees the largest increase in the percentage of withdrawals for a given month?

The NHLC is very willing to allow for promotions to be offered to end users to incentivize greater ATM usage. Any promotions would have to be mutually agreed upon by the NHLC and the Vendor.

20. Part I, Section VII Technical Standards, Paragraph R (Page 8 of 34) states, “The successful Proposer must provide, install, operate, and maintain, at its own cost and expense, all equipment, including telephone and electrical connections necessary to conduct its business at the retail outlets”. Our ATMs should only require a standard electrical outlet to operate. Are we to understand that we will be responsible to install our own electrical outlets, even if we are willing to utilize what is already in place?

The hope is that you will be able to install ATMs in locations where electrical outlets are already in place. If this is not the case the cost for the electrical outlet will be borne by the NHLC.