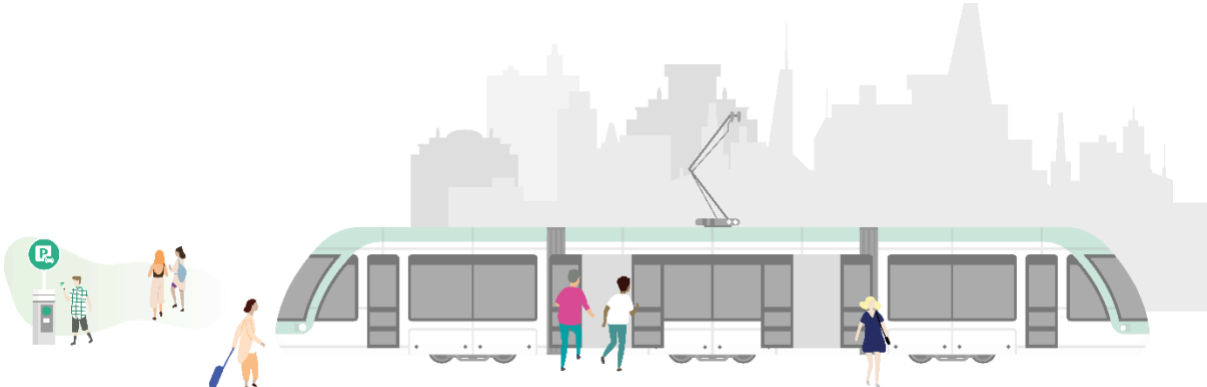




**Category B - Transit Processor Services**  
*Solution Description and SOW Response*



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## Executive Summary

Littlepay would like to thank Nevada County Transit for the opportunity to present our proposal for transit payments processing services under the DGS framework.

Over the last five years, Littlepay has focussed on one thing only – building a modern, flexible solution to allow transit operators of any size to accept bank cards in transit. It is the only thing we do, and we believe we do it very well. Since our first major rollout in June 2017, we now process USD500m annually for over 250 individual transit agencies across 25,000 vehicles globally. We are an Australian HQ company with operations in Europe and USA and with newly launched projects in Finland, Portugal, Spain, the USA and Latin America.

We lead the market on innovation in transit payments and we are constantly rolling out new functionality relevant to customers just like yourselves.

### Littlepay in the USA

Littlepay worked with Cal-ITP from the outset, providing input into the project. We were subsequently selected as the sole payment processor for all of the initial Cal-ITP pilot deployments in Santa Barbara, Monterey-Salinas and Sacramento.

Based on the success of these pilots, in April 2022, Littlepay was awarded a DGS contract to provide Californian transit agencies with transit payments processing services under pre-agreed contracts (Category B). Since then, Littlepay has had 11 agencies sign up to our processing services under these new agreements.



We are in a unique position to provide a low cost, tried and tested solution for Nevada County Transit;

- Two of the three devices listed in Category A are pre-integrated to the Littlepay platform.
- We make available discounted interchange rates via our acquiring partnerships with Elavon (USA Bank) and Cybersource (a Visa company).
- Our solution is genuinely future-proof with exciting options available for subsequent phases:
  - Open API based data integration
  - Opportunities to integrate tap-and-ride activity into your mobile application
  - Allow concessions to automatically access discounted fares via their own bank card
  - Transfer fares and multi-agency capping solutions where Littlepay is the common processor
- Littlepay's cloud-based, pure-SaaS solution ensures that Nevada County Transit will never have to worry about hosting its own software and will always benefit from a regular stream of new features and updates at zero cost

We are confident that our solution will accommodate all the requirements described in your scope of work, each of which is addressed in this response. We welcome the opportunity to onboard Nevada County Transit into Littlepay's active community of USA transit agencies.

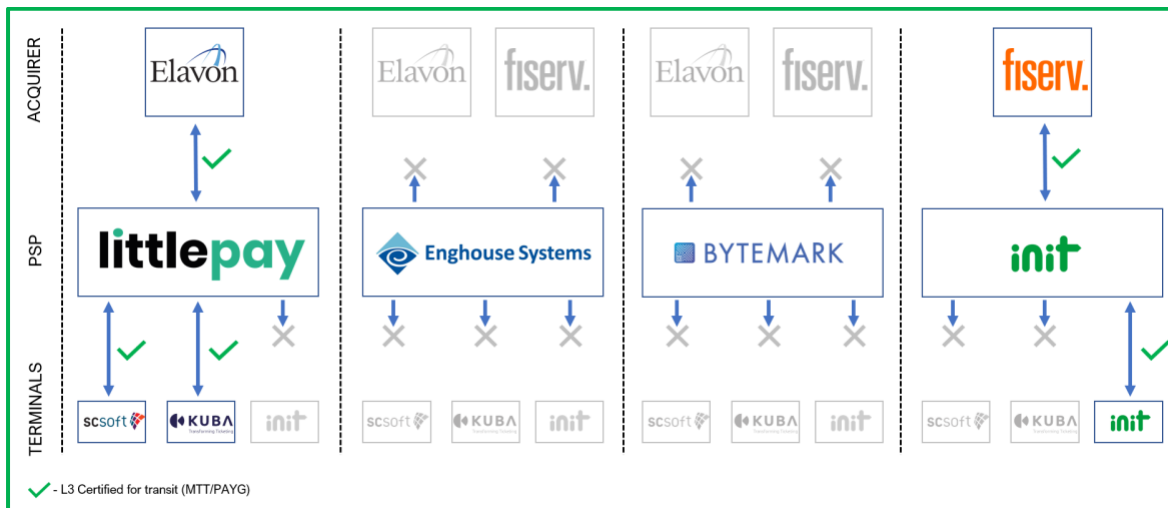
## Introduction

### Littlepay is the world’s only payment processor built exclusively for transit

We specialize in providing payment processing services to transit agencies just like Nevada County Transit. In fact, that’s all we do! We manage the complexity, security and compliance - you collect revenue. Our solution keeps your agency out of the PCI zone, so you can focus on what you do best - getting riders from A to B.

### Littlepay is ready to onboard you immediately

We’ve done the hard work already: our solution is already fully operational with both the DGS-approved devices and the DGS-approved merchant acquirer, so we hit the ground running with no integration costs or certification delays.



Integration status of DGS approved vendors (April 2022)

## Local experience



We’re experienced in deploying Cal-ITP solutions in California. Littlepay was selected for all of the first four Cal-ITP pilot programs in Santa Barbara, Sacramento and Monterey-Salinas.

Littlepay’s onboarding process has been fine-tuned over five years of feedback from our customers. We deliver a smooth, simple and fast route to open-loop.

## Littlepay's service has been running at scale for over five years

Accepting bank cards in transit sounds complicated, but don't worry, we've been doing this for a while. Littlepay currently processes tap and ride services for over 250 agencies, operators, metro systems and city authorities worldwide. We've perfected this process and now, through Cal-ITP, we can make this service available for agencies in the USA. Our solution may be ground-breaking, but it isn't experimental: it is mature, proven and incredibly secure.

## We love working with transit agencies of all sizes

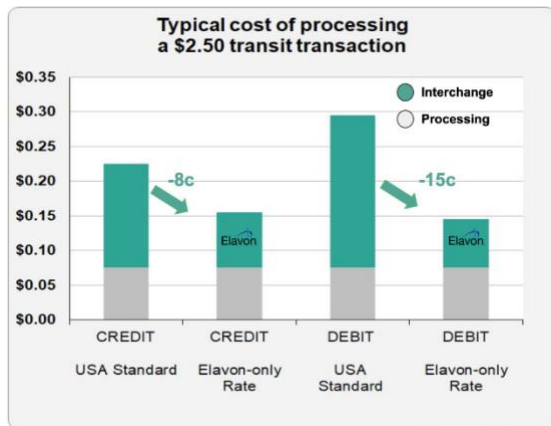
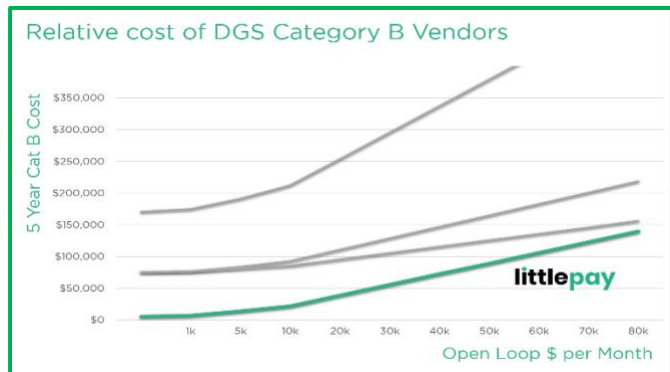
Littlepay has clients with fleet sizes in the thousands, but many of our clients have less than 50 vehicles. Some of our clients have exactly one vehicle. Large fare collection technology providers have traditionally ignored small and medium size agencies. Littlepay makes EMV payments accessible: our solution enables any transit agency to give their customers a state-of-the-art payment experience, with the features and functionality they have come to expect.

## We are also the most cost-effective option

Every cent in public transit counts, especially for smaller agencies. Littlepay's solution requires the least investment out of all the awarded DGS suppliers. Have confidence that you're accessing the best service at the lowest possible cost.

Four different vendors have been awarded the ability to offer payment processing services to transit agencies in California under a Department of General Services (DGS) contract. The submitted pricing offered by these vendors in the selection process differs significantly.

The chart to the right illustrates the relative minimum setup and processing costs as submitted by all four vendors.



Through our partnership with Elavon (US Bank), we also offer significantly reduced interchange rates from Visa and Mastercard.

These special rates are applicable only to transit transactions processed in California.

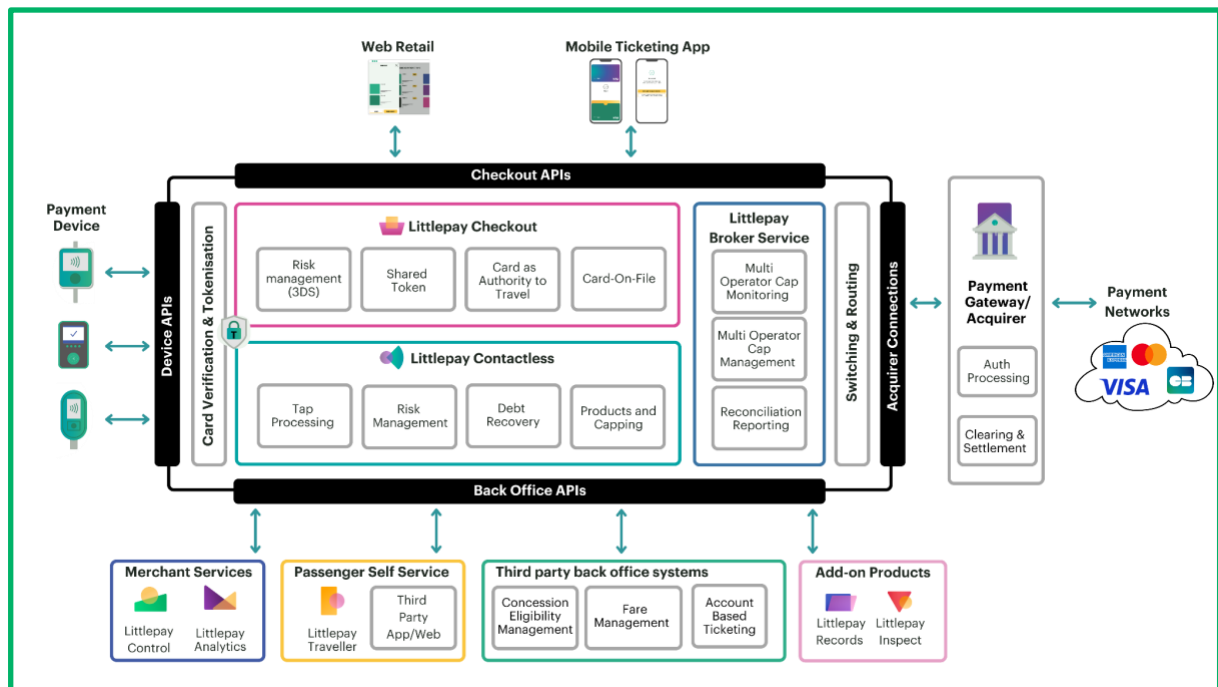
The chart (left) shows the difference in interchange and processing fees using Elavon's interchange rates vs. the current standard U.S. market rates. These cost savings are significant, and we pass them directly through to Nevada County Transit.

## Solution Overview

### Littlepay Contactless - Core Solution

As a starting point, the Littlepay solution will enable Nevada County Transit to offer riders open loop transit payments using the riders' own payment cards including Apple Pay and Google Pay on mobile or wearable. However, Littlepay is much more than just a transit payments processor. We work with agencies and city authorities to extend the use of EMV technology to reduce the cost of fare collection and improve ridership engagement in several other innovative areas. The Littlepay platform will therefore serve as an excellent foundation to build future payments innovation and further benefit Nevada County Transit ridership long into the future.







An end-to-end illustration of all Littlepay available services is shown below.



The Littlepay service is hosted in the cloud on a pure SaaS basis, meaning the only hardware installation required will be the validators onboard the vehicles.

Mastercard and Visa card acceptance is available immediately with American Express and Discover planned for inclusion in late 2023, pending Category A (PAD vendor) support.

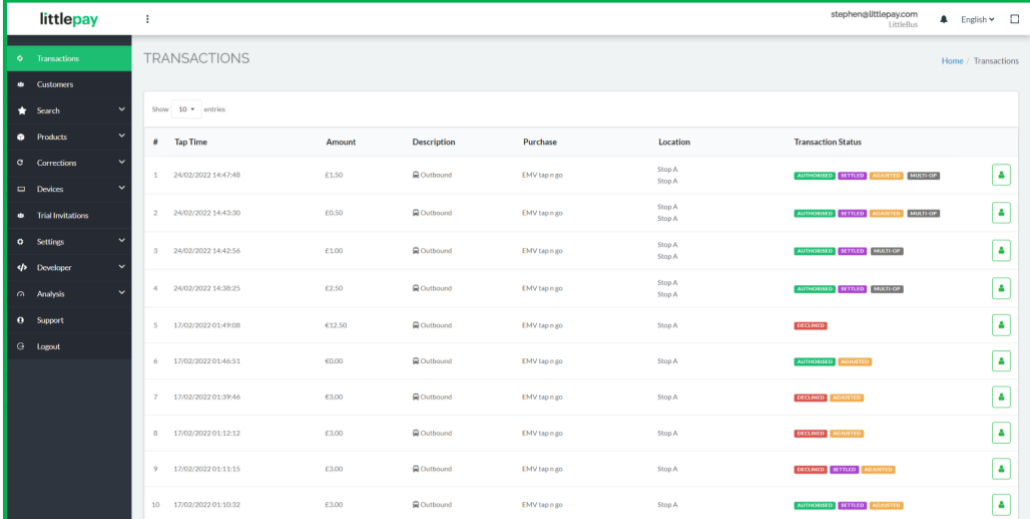
The additional elements of the Littlepay toolbox that can be made available to Nevada County Transit to deploy and evolve open loop ticketing are shown below.

 <p><b>Littlepay Contactless</b> Out-of-the-box Contactless transit payment processing.</p>	 <p><b>Littlepay Control</b> Powerful merchant hub for managing payments and travel products.</p>	 <p><b>Littlepay Analytics</b> Data and reporting tools for analyzing payment channel and product performance.</p>
 <p><b>Littlepay Records</b> Data feeds, delivering rich insights into passengers' travel and purchase behaviour.</p>	 <p><b>Littlepay Traveller</b> API or white-labelled portal for riders to track trips and payments and resolve issues.</p>	 <p><b>Littlepay Inspect</b> Revenue inspection app for use on any NFC compatible, Android mobile device.</p>

## Littlepay Control

At the heart of our open loop solution is Littlepay Control. Littlepay Control is a PCI-DSS compliant, responsive web portal accessible by Nevada County Transit for customer support and operational management purposes. It makes it easy to track payments, create fare caps and discounts, support passengers, process refunds and analyze data.

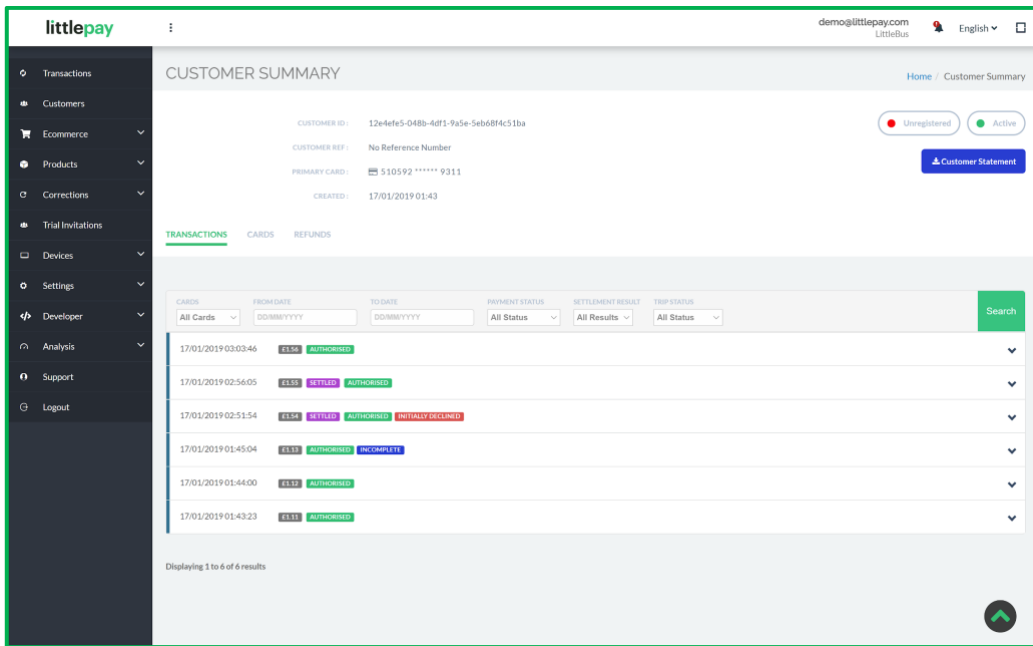
Passenger taps can be viewed in near-real time with coloured labels clearly indicating the current stage of processing e.g. capped, authorised, settled.



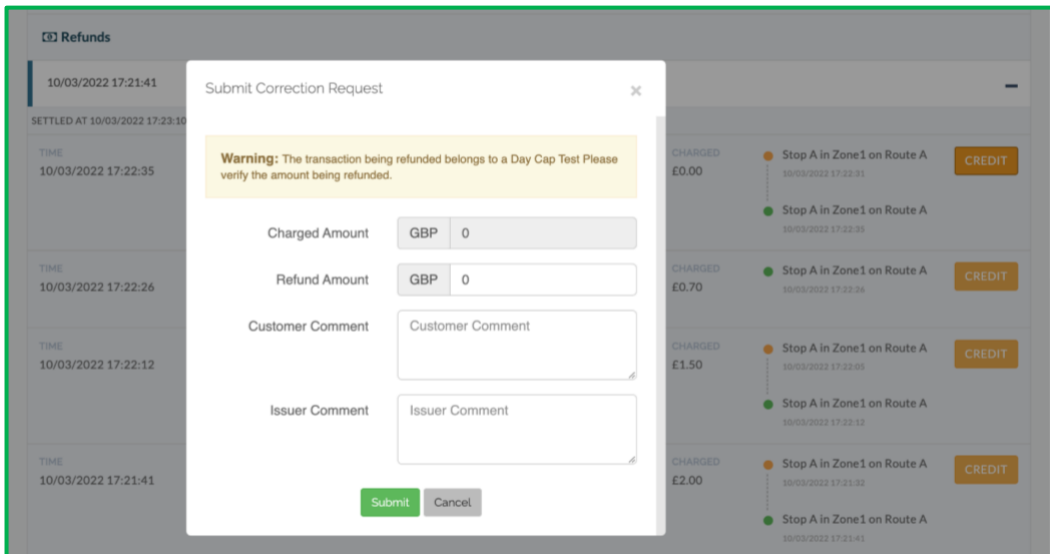
#	Tap Time	Amount	Description	Purchase	Location	Transaction Status
1	24/02/2022 14:47:48	£1.50	Outbound	EMV tap n go	Step A Step A	Authorised
2	24/02/2022 14:43:30	£5.50	Outbound	EMV tap n go	Step A Step A	Authorised
3	24/02/2022 14:42:56	£1.00	Outbound	EMV tap n go	Step A Step A	Authorised
4	24/02/2022 14:38:25	£2.50	Outbound	EMV tap n go	Step A Step A	Authorised
5	17/02/2022 01:49:08	£12.50	Outbound	EMV tap n go	Step A	Settled
6	17/02/2022 01:46:51	£5.00	Outbound	EMV tap n go	Step A	Authorised
7	17/02/2022 01:39:46	£3.00	Outbound	EMV tap n go	Step A	Settled
8	17/02/2022 01:12:12	£3.00	Outbound	EMV tap n go	Step A	Settled
9	17/02/2022 01:11:15	£3.00	Outbound	EMV tap n go	Step A	Settled
10	17/02/2022 01:10:32	£3.00	Outbound	EMV tap n go	Step A	Authorised

A range of filters are available for customer support agents to easily locate a customer's account containing all relevant payment cards, mobile wallets, trip and payment history.





Authorized Nevada County Transit employees can also process refunds at the click of a button with the ability to save relevant notes to log customer and operator comments.



## Fare Capping Functionality

A standard feature of the Littlepay solution is the ability to offer fare capping to all passengers that meet the capping rules or to closed groups of registered passengers, such as concessions.

Littlepay currently processes four different types of capping rules for Nevada County Transit to create and manage via Littlepay Control. Combined with the supported features listed below, these

rules can be constructed to deliver a large variety of different caps to passengers. Some Littlepay bus operators have even configured capping products to introduce flexible incentive based weekly caps to their passengers in the face of changing travel patterns.

The four types of capping product are:

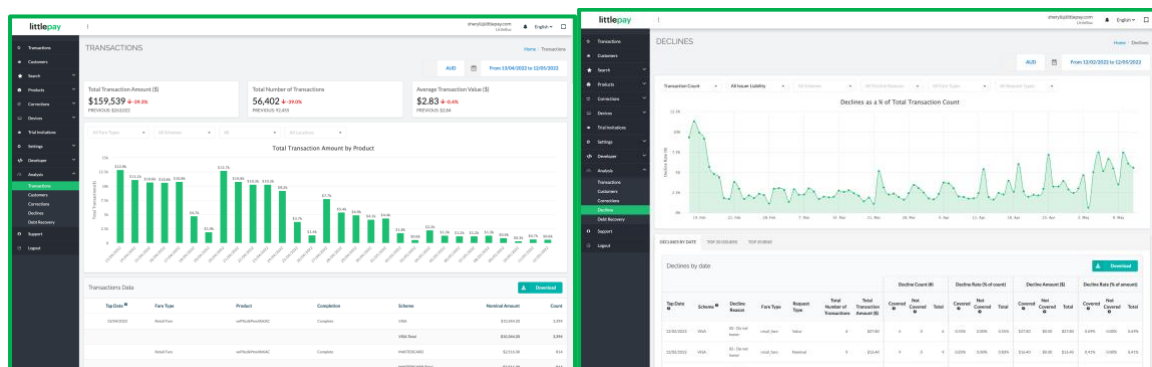
- Daily Capping\*
- Weekly Capping\*
- Multi-Day Capping\*
- Time-Based capping

Each of these different capping types have the option to enable the following features to the capping products to replicate the fares customers can purchase. Options include: Route Capping\*, Zonal Capping\*, Trip Limits\*, Peak and Off Peak times\*

*\*Multi-operator capping supported across any agency integrated into the Littlepay system.*

## Littlepay Analytics

Littlepay Analytics is accessed via Littlepay Control. It provides Nevada County Transit with the ability to analyse performance trends over any period within the last 3 months. Results are shown in graphical and tabular format and all tables can be exported in .csv format.



A large number of reports can be run including transactions volumes and sales per product, route and location; customer trends in terms of new customers seen and detailed breakdown of decline and debt recovery.

## Littlepay Traveller

Riders will not receive a ticket or receipt when boarding. Instead, they will be provided with access to a rider portal - Littlepay Traveller. In seconds, your customers will be able to look up their payment and travel history by securely entering their payment card details into the portal.

Littlepay Traveller allows your passenger to:

- View transaction and refund history
- View deny list status
- Print statement
- View up to 90 days history for all linked payment devices used e.g. mobile wallet

If Nevada County Transit wishes to consider a future integration with other customer channels such as an Nevada County Transit mobile app, this can be supported via the Back Office APIs.

### Littlepay Records

Littlepay Records is the data access service offered by Littlepay in addition to the configuration and export capabilities offered through Littlepay Control. Services include:

- **Daily Data Extract** of all transaction, payment, refund data via S3 buckets
  - Suggested for more complex or historical data analysis
  - Fully documented data model
  - Littlepay support team on hand to aid data understanding
- **Back Office APIs** - for integration of analytics systems and tools
  - Fully documented REST APIs
  - Webhook event notifications

## Littlepay Inspect

Inspection is an important part of most public transport operations. Littlepay offers an inspection app which can be run on any android based NFC device such as a phone or tablet.



- No dependency on external parties for data
- Quick time to market
- Minimum PCI overhead
- Run on any NFC compatible Android device with OS V9+
- Merchant portal user login management
- Inspect by vehicle or by passenger history
- Live deployments in California, Helsinki and France:

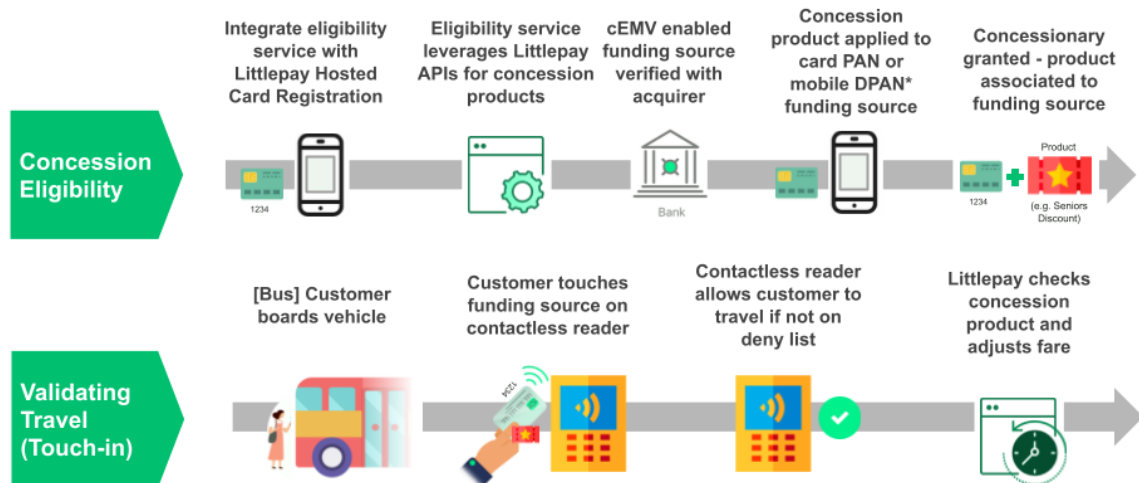


Concession Fares

Littlepay has successfully worked with several US transit agencies involved in the Cal-ITP demonstrations to bring reduced fares to registered travellers. A most recent evolution of this solution was to remove the need for registration and automatically apply discounts to all card holders that meet a certain criteria e.g. they pay by a Visa card during a particular period of time.

The solution is based on a feature called Card As Authority To Travel (CAATT). CAATT involves the association of a pre-purchased or discount product with a passenger's registered payment token. This association allows the passenger to travel using their nominated payment device and having appropriate discounts automatically applied to their travel prior to payment settlement.

The image below depicts the typical flow associated with CAATT registration and travel:



## Account Management and Customer Support

Littlepay offers a number of tools to NCT to complement their customer support service.

- **Littlepay Control** - as described above - is available to Nevada's customer support team to view all customer transactions and charges and issue refunds where required
- **Littlepay Traveler** - as described previously - is available to Nevada's passengers to enable them to self service and queries they may have in the first instance, reducing contact to the customer support team
- **Littlepay Service Desk** is the entry and exit point for all system and service related interactions with Littlepay. All service requests are managed through Zendesk, the cloud-based service management support application. Littlepay Service Operations is the gateway for Big Blue Bus to get help to:
  - Resolve possible service failures
  - Address any other issues or concerns relating to the transit processor service
  - Raise requests for new features or enhancements

## Nevada County Transit Specific Requirements

The comments below address the specific requirements outlined in Nevada County Transit SOW.

### Fare Requirements - SOW Section 2

Typically fare capping will be delivered by both Littlepay and the chosen Category A provider. Littlepay would expect the single trip fares to be set by the Device Vendor and the Zone of the tap to be included in the message sent to Littlepay.

Nevada will be able to configure the required capping products and associated business rules via the Littlepay Control portal. Please see sections Littlepay Control and Fare Capping for further information on standard functionality.

Littlepay would like to discuss the fare capping requirements of Nevada County Transit to agree what will be possible within the current system capabilities.

### Discounted Fares - SOW Section 2

Littlepay will commit to providing a standardised solution to implement the required reduced fares during the lifetime of the contract, building upon the Card As Authority to Travel functionality that has already been implemented and trialed. In order to define the exact solution to be delivered, Littlepay will hold a workshop with Nevada County Transit to:

- Understand the existing solution including verification, validation and reconciliation flows
- Understand the full requirements for support of this scheme on the open loop rails

Littlepay will provide Nevada County Transit with a proposed solution and associated timelines, where known, to meet their needs.

There will be no additional costs for the workshop, design or build of this solution, should the proposed solution be acceptable and there are no bespoke features required that would not be applicable to the wider market.

### State Eligibility Verification System - SOW Section 3a.

Littlepay agree that the system will be integrated into the State Eligibility Verification System when it becomes available. This integration will be for the purpose of supporting senior citizen discounts.

### Deny List Processing - SOW Section 3d.

Littlepay implement the standard deny list processing rules defined by the card networks such as Visa and Mastercard. They state that Nevada County should add cards to the deny list when a payment is declined or if an Account Verification Request (AVR) is declined on the first attempt. The AVR is a check that is done when a payment card is seen for the first time or if it hasn't been seen for a configurable number of days. It ensures that the card is genuine and isn't known to be stolen. Based on the current specifications, it will not be possible to implement a delay to add someone to the deny list. However, Littlepay would be able to support Nevada County Transit in any discussions they may wish to have with the card networks with regards to changing the specification.

### Settling Debt - SOW Section 3d.

For cards that have experienced declined authorisation, there is debt outstanding. For this debt, Littlepays system retries authorisations for those transactions over 2-4 weeks as per scheme rules. There are three main modes of debt recovery which can take place.

- **System initiated:** system performs automated debt recovery re-authorisation attempts following the "Merchant Initiated Transaction" (MIT) framework
- **Cardholder-initiated, tap-based debt recovery:** system resubmits authorisation (card present) transaction almost immediately after the tap (e.g. declined transaction occurs on Day 1, a tap occurs later on Day 5, a resubmission attempt for declined payment on Day 1 is conducted on Day 5 after the passenger tries to travel again)
- **Cardholder-initiated, via call centre:** merchant can initiate a debt recovery re-authorisation attempt manually by looking up the customer in Littlepay Control (Merchant Portal)

### Account Management/Customer Support - SOW Section 6b.

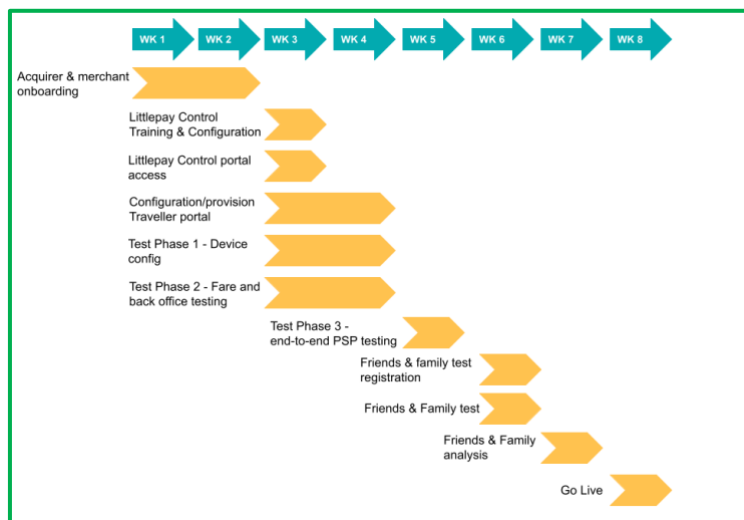
Littlepay offer a standard customer portal for customer service as described in the Traveler Portal section of this document. In addition, Littlepay provides hosted tokenization functionality (secure entry of payment card details) and APIs to allow Nevada to offer customer support functionality within their own web portal. Both options are inclusive of the standard fees outlined in this proposal.

## Onboarding Process

### Schedule

There are no specific integration, development, or certification requirements to meet Nevada County Transit’s requirements.

Project activity will therefore focus on training, configuration and rollout of a standard solution. The diagram below outlines the key steps involved in bringing Nevada County Transit’s open loop ticketing plans to life. Our project team will follow a standard onboarding plan which will be shared with the Nevada County Transit project team.



*Standard Onboarding Plan*

### Onboarding

The primary goal of the onboarding phase is to validate both correct operation of the deployed solution and to validate that the customer experience is as anticipated.

While formal testing will confirm technical compliance, customer experience is best assessed by “real” passengers. The procedure for customer experience validation is centred around enabling a select group of customers designated as “Friends and Family” to use the system in as near-live an environment as is feasible. An online card registration link will be provided to those customers selected by Nevada County Transit as testers, be they employees, a dedicated test team or other designated group.

Once registered, the payment card of those participants will be the only payment cards accepted by the devices. Testers are directed to use whichever vehicles and/or devices (be it in a lab or semi-live environment) to ensure that any signage, service information, how-to guides etc. all lead to the anticipated passenger behaviour. Test participant trips are then monitored either live and/or by survey to confirm the success. Additional customer support scenarios are also executed to validate the user experience e.g. processing a refund request.

### Training

Littlepay will provide two hours of remote training to Nevada County Transit staff covering the following topics: configuration, reconciliation, incident management, customer support, reporting, and refunds. Littlepay will provide a training plan to the transit agency indicating the target audience, topics covered, training format and timeline.

## Pricing Proposal under DGS Framework

Pricing excludes acquirer fee. The acquirer fee will include the gateway fee. Card association and interchange fees will be passed through by the acquirer at cost.

	Requirement	Cal-ITP DGS Standard Pricing	Nevada County Transit Proposed Pricing
<b>A.1 Transit processing services</b>			
<i>Transit processor services fee as % of total revenue processed</i>	Mandatory	2.80%	2.25%
<b>A.2 Transit processing services: free fare transactions</b>			
<i>Transit processor services fee as fixed fee (\$ per transaction processed)</i>	Mandatory	\$ 0.04	\$ 0.04
<b>B. Transit processor implementation services</b>			
<i>Implementation services</i>	Mandatory	\$ 5,000.00	\$ 5,000.00
<b>C. Value added implementation services</b>			
<i>Supporting EMV Level 3 certification</i>	Mandatory	\$ 20,000.00	Not required when using SC Soft or Kuba devices
<i>Custom development work</i>	Optional	Category B Hourly Rate Card	None envisaged in this proposal
<b>D. Transit processor interface and integration services</b>			
<i>Integration with PAD contractor</i>	Mandatory	\$ 20,000.00	Not required when using SC Soft or Kuba devices
<i>Integration with a payment processor</i>	Mandatory	\$ 100,000.00	Not required when using Cybersource & Elavon
<i>Integration with eligibility verification system</i>	Mandatory	\$ 20,000.00	Not requested
<b>E. Value added operations services</b>			
<i>Premium final charge management services [fare calculation provided by littlepay]</i>	Optional	1.50%	Not requested
<i>Premium customer support</i>	Optional	0.25%	Not requested