



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
320 S. Walnut Street 2nd Floor Lansing, MI 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 4
to
Contract Number MA20000000047

CONTRACTOR	U.S. BANK
	901 Marquette Ave, Suite 1800
	Minneapolis MN 55402
	Samy Kayser
	612-436-6553
	Samyukta.kayser@usbank.com
	CV0014056

STATE	Program Manager	Marsha Stansfield	DTMB
		517-241-5521	
		stansfieldm@Michigan.gov	
STATE	Contract Administrator	Valerie Hiltz	DTMB
		5172490459	
		hiltzv@michigan.gov	

CONTRACT SUMMARY				
Statewide Procurement Card				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
November 1, 2019	April 30, 2025	5 - 12 Months	April 30, 2025	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45 days		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 Months	<input checked="" type="checkbox"/>		June 30, 2026
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$370,000,000.00	\$200,000,000.00	\$570,000,000.00		
DESCRIPTION				
<p>Effective December 18, 2024, this contract is exercising one option year and correcting the expiration date to reflect the expiration date as revised in Change Notice #2. The new expiration date is 6/30/2026. The contract is also adding funding in the amount of \$200,000,000.00.</p> <p>All other terms, conditions, specifications and pricing remain the same per agreement by the Contractor and DTMB, the DTMB Central Procurement Services office and as approved by the State Administrative Board on December 17, 2024.</p>				



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **3**
 to
 Contract Number **20000000047**

CONTRACTOR	U.S. BANK
	901 Marquette Ave, Suite 1800
	Minneapolis, MN 55402
	Samy Kayser
	612-436-6553
	samyukta.kayser@usbank.com
	CV0014056

STATE	Program Manager	Marsha Stansfield	DTMB
		517-241-5521	
	stansfieldm@Michigan.gov		
	Contract Administrator	Joy Nakfoor	DTMB
(517) 249-0481			
nakfoorj@michigan.gov			

CONTRACT SUMMARY

STATEWIDE PROCUREMENT CARD			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
November 1, 2019	April 30, 2025	5 - 1 Year	April 30, 2025
PAYMENT TERMS		DELIVERY TIMEFRAME	
		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		April 30, 2025
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$370,000,000.00	\$0.00	\$370,000,000.00		

DESCRIPTION

Effective August 17, 2021, Schedules B and C on this contract are hereby updated, per the revised Attachment.
 All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

**CN 3 - SCHEDULE B
PRICING MATRIX**

Volume Incentive

Annual Volume (US\$)	Rate
10,000,000	1.5100%
20,000,000	1.7050%
30,000,000	1.8400%
40,000,000	1.9300%
50,000,000	1.9950%
60,000,000	2.0050%
70,000,000	2.0200%
80,000,000	2.0300%
90,000,000	2.0400%
100,000,000	2.0650%
125,000,000	2.0750%
150,000,000	2.0850%
175,000,000	2.0900%
200,000,000	2.1000%

*File Turn Days must be 45 or less
Credit Losses deducted from Rebate
Fraud Losses absorbed by U.S. Bank
Rebate payment: Annual*

Speed of Payment Incentive

File Turn Days	Rate	File Turn Days	Rate	File Turn Days	Rate
45	0.0000%	30	0.0750%	15	0.1500%
44	0.0050%	29	0.0800%	14	0.1550%
43	0.0100%	28	0.0850%	13	0.1600%
42	0.0150%	27	0.0900%	12	0.1650%
41	0.0200%	26	0.0950%	11	0.1700%
40	0.0250%	25	0.1000%	10	0.1750%
39	0.0300%	24	0.1050%	9	0.1800%
38	0.0350%	23	0.1100%	8	0.1850%
37	0.0400%	22	0.1150%	7	0.1900%
36	0.0450%	21	0.1200%	6	0.1950%
35	0.0500%	20	0.1250%	5	0.2000%
34	0.0550%	19	0.1300%	4	0.2050%
33	0.0600%	18	0.1350%	3	0.2100%
32	0.0650%	17	0.1400%	2	0.2150%
31	0.0700%	16	0.1450%	1	0.2200%
				0	0.2250%

Volume Incentive

Rate
0.9000%

*File Turn Days must be 45 or less
Credit Losses deducted from Rebate
Fraud Losses absorbed by U.S. Bank
Rebate Payment: Annual*

Speed of Payment Incentive

File Turn Days	Rate	File Turn Days	Rate	File Turn Days	Rate
45	0.0000%	29	0.0800%	14	0.1550%
44	0.0050%	28	0.0850%	13	0.1600%
43	0.0100%	27	0.0900%	12	0.1650%
42	0.0150%	26	0.0950%	11	0.1700%
41	0.0200%	25	0.1000%	10	0.1750%
40	0.0250%	24	0.1050%	9	0.1800%
39	0.0300%	23	0.1100%	8	0.1850%
38	0.0350%	22	0.1150%	7	0.1900%
37	0.0400%	21	0.1200%	6	0.1950%
36	0.0450%	20	0.1250%	5	0.2000%
35	0.0500%	19	0.1300%	4	0.2050%
34	0.0550%	18	0.1350%	3	0.2100%
33	0.0600%	17	0.1400%	2	0.2150%
32	0.0650%	16	0.1450%	1	0.2200%
31	0.0700%	15	0.1500%	0	0.2250%
30	0.0750%				

Cycle/Payment Rebate scenario For Standard Volume Rebate										
State of Michigan	Cycle Days	7	14	14	30	30	30	30	30	30
Total Standard Spend	Grace Days	3	3	7	3	7	14	20	25	30
	Estimated File Turn Days	7	10	14	18	22	29	35	40	45
Aggregate Volume Grid		Rebate Basis Points								
10,000,000	19,999,999	1.70000%	1.68500%	1.66500%	1.64500%	1.62500%	1.59000%	1.56000%	1.53500%	1.51000%
20,000,000	29,999,999	1.89500%	1.88000%	1.86000%	1.84000%	1.82000%	1.78500%	1.75500%	1.73000%	1.70500%
30,000,000	39,999,999	2.03000%	2.01500%	1.99500%	1.97500%	1.95500%	1.92000%	1.89000%	1.86500%	1.84000%
40,000,000	49,999,999	2.12000%	2.10500%	2.08500%	2.06500%	2.04500%	2.01000%	1.98000%	1.95500%	1.93000%
50,000,000	59,999,999	2.18500%	2.17000%	2.15000%	2.13000%	2.11000%	2.07500%	2.04500%	2.02000%	1.99500%
60,000,000	69,999,999	2.19500%	2.18000%	2.16000%	2.14000%	2.12000%	2.08500%	2.05500%	2.03000%	2.00500%
70,000,000	79,999,999	2.21000%	2.19500%	2.17500%	2.15500%	2.13500%	2.10000%	2.07000%	2.04500%	2.02000%
80,000,000	89,999,999	2.22000%	2.20500%	2.18500%	2.16500%	2.14500%	2.11000%	2.08000%	2.05500%	2.03000%
90,000,000	99,999,999	2.23000%	2.21500%	2.19500%	2.17500%	2.15500%	2.12000%	2.09000%	2.06500%	2.04000%
100,000,000	124,999,999	2.25500%	2.24000%	2.22000%	2.20000%	2.18000%	2.14500%	2.11500%	2.09000%	2.06500%
125,000,000	149,999,999	2.26500%	2.25000%	2.23000%	2.21000%	2.19000%	2.15500%	2.12500%	2.10000%	2.07500%
150,000,000	174,999,999	2.27500%	2.26000%	2.24000%	2.22000%	2.20000%	2.16500%	2.13500%	2.11000%	2.08500%
175,000,000	199,999,999	2.28000%	2.26500%	2.24500%	2.22500%	2.20500%	2.17000%	2.14000%	2.11500%	2.09000%
200,000,000	+	2.29000%	2.27500%	2.25500%	2.23500%	2.21500%	2.18000%	2.15000%	2.12500%	2.10000%

Please note that the highlighted grid in yellow is based on the calculation provided above for Standard Volume.

Cycle/Payment Rebate scenario For Discount Volume Rebate										
State of Michigan	Cycle Days	7	14	14	30	30	30	30	30	30
Discount Interchange Rebate	Grace Days	3	3	7	3	7	14	20	25	30
	Estimated File Turn Days	7	10	14	18	22	29	35	40	45
Volume Grid		Rebate Basis Points								
0	+	1.09000%	1.07500%	1.05500%	1.03500%	1.01500%	0.98000%	0.95000%	0.92500%	0.90000%

Please note that the highlighted grid in yellow is based on the calculation provided above for Discount Volume

Corporate Travel Card	
Feature	Fee
General	
Annual Card Fee	No Fee
Delinquency Fees: <ul style="list-style-type: none"> Fee assessed on the entire past due amount if full balance is not paid by the due date Fee assessed each subsequent cycle on the entire past due amount 	No Fee 0.7%
Interest Charges	No Fee
Cash Advance Fee	2.5% (minimum \$2.00)
Convenience Check Fee	2.5% (minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$2.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$5.00 per statement
Draft/Receipt Copy	No Fee
Replacement Card Fee	No Fee
Expedited Delivery Fee	No Fee
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00
Foreign Currency Fee (if applicable)	1% per transaction
Benefits	
Travel Accident Insurance: \$500,000 coverage	No Fee
Auto Rental Insurance	No Fee
Mastercard Liability Insurance: \$100,000 coverage	No Fee
Lost Luggage Insurance: Maximum \$1,250; not to exceed common carrier reimbursement	No Fee
Other	
Implementation and Training Cost	No Fee
Access Online	No Fee
Custom Mapping	Fee based upon scope of service
Logo Setup Fee	No Fee
Customized Plastic: Three custom plastics are waived for the State. For political subdivisions, there would be the following fees: <ul style="list-style-type: none"> Quantity of less than 2,000 cards Quantity of more than 2,000 cards; or specialty printing needs (minimum of 1,000 cards) 	\$2,000 \$5,000

Purchasing Card	
Feature	Fee
General	
Annual Card Fee	No Fee
Delinquency Fees:	
▪ Fee assessed on the entire past due amount if full balance is not paid by the due date	No Fee
▪ Fee assessed each subsequent cycle on the entire past due amount	0.7%
Interest Charges	No Fee
Cash Advance Fee	2.5% (minimum \$2.00)
Convenience Check Fee	2.5% (minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$2.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$5.00 per additional statement
Draft/Receipt Copy	No Fee
Replacement Card Fee	No Fee
Expedited Delivery Fee	No Fee
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00 per occurrence
Foreign Transaction Fee (if applicable)	1% per transaction
Other	
Implementation and Training Cost	No Fee
Access Online	No Fee
Electronic Attachments (receipt imaging) Annual Fee	\$3.00 per user
Custom Mapping	Fee based upon scope of service
Logo Setup Fee	No Fee
Customized Plastic: Three custom plastics are waived for the State. For political subdivisions, there would be the following fees:	
▪ Quantity of less than 2,000 cards	\$2,000
▪ Quantity of more than 2,000 cards; or specialty printing needs (minimum of 1,000 cards)	\$5,000

One Card Accounts	
Feature	Fee
General	
Annual Card Fee	No Fee
Delinquency Fees:	
▪ Fee assessed on the entire past due amount if full balance is not paid by the due date	No Fee
▪ Fee assessed each subsequent cycle on the entire past due amount	0.7%
Interest Charges	No Fee
Cash Advance Fee	2.5% (minimum \$2.00)
Convenience Check Fee	2.5% (minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$2.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$5.00 per additional statement
Draft/Receipt Copy	No Fee
Replacement Card Fee	No Fee
Expedited Delivery Fee	No Fee
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00 per occurrence
Foreign Transaction Fee (if applicable)	1% per transaction
Other	
Implementation and Training Cost	No Fee
Access Online	No Fee
Electronic Attachments (receipt imaging) Annual Fee	\$3.00 per user
Custom Mapping	Fee based upon scope of service
Logo Setup Fee	No Fee
Customized Plastic: Three custom plastics are waived for the State. For political subdivisions, there would be the following fees:	
▪ Quantity of less than 2,000 cards	\$2,000
▪ Quantity of more than 2,000 cards; or specialty printing needs (minimum of 1,000 cards)	\$5,000



**SCHEDULE C
U.S. BANK
COMMERCIAL ACCOUNT AGREEMENT FOR THE STATE OF MICHIGAN**

This United States Commercial Account Agreement ("**Agreement**") is between **Legal Entity Name of Customer** a [State] [Government Organization] ("**Customer**") and U.S. Bank National Association ("**U.S. Bank**"). This Agreement is effective upon signing by U.S. Bank ("**Effective Date**").

Recitals

1. U.S. Bank is an authorized issuing member of certain card associations for the provision of commercial charge accounts;
2. U.S. Bank, in its own capacity or through its affiliates, offers commercial charge accounts and services in the United States, called the Commercial Account Program ("**Program**"); and
3. Customer desires to utilize the Program.

Now, therefore, for and in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Customer and U.S. Bank agree to the following:

1. Product Selection.

Product Selection	Minimum Annual Charge	Number of Account holders
<input checked="" type="checkbox"/> Corporate Accounts	\$ _____	_____
<input checked="" type="checkbox"/> One Card™ Accounts	\$ _____	_____
<input checked="" type="checkbox"/> Purchase Accounts	\$ _____	_____
One Card Optional Enhancements ¹	Minimum Annual Charge	Product
<input type="checkbox"/> Central billing accounts	\$ _____	<input type="checkbox"/> One Card <input type="checkbox"/> Purchase <input type="checkbox"/> Corporate
<input type="checkbox"/> Managed Spend card	\$ _____	<input type="checkbox"/> One Card <input type="checkbox"/> Purchase <input type="checkbox"/> Corporate

2. Rebate. An Entity may earn a rebate for the products selected in section 1 (Product Selection) above.

2.1. Conditions. To be eligible for and to retain a rebate, Entity must: (i) satisfy all requirements in Table A; (ii) complete the Agreement Year in which a rebate is earned; and (iii) complete the Agreement Term. If Entity fails to satisfy all requirements of this section, (i) U.S. Bank may retain and will not be required to pay Entity a rebate payment; and (ii) US Bank will invoice the State pursuant to the Contract Terms for any outstanding amounts due to US Bank related to Charge-offs and rebates.

Table A Requirements	
	Corporate Accounts, One Card Accounts & Purchase Accounts
File Turn Day Payment Performance	≤ 45
Aggregate Net Annual Charge Volume	≥ \$10,000,000.00
Minimum Rebate Earned	≥ \$100.00

2.2. Rebate Calculation. If an Entity satisfies all requirements in an Agreement Year, U.S. Bank will calculate a rebate for that Entity in the same Agreement Year as follows:

- (a) U.S. Bank will multiply the Net Annual Charge Volume by the applicable percentage on Table B (Performance Percentage) of section 3.

¹ U.S. Bank may suspend or terminate access to Optional Enhancements if U.S. Bank, in its sole discretion, determines that continued access presents a risk of loss or liability to U.S. Bank or Customer.

- (b) U.S. Bank will multiply the Discount Volume by the applicable percentage on Table B (Performance Percentage) of section 3.
- (c) U.S. Bank will multiply the Net Annual Charge Volume by the applicable percentage on Table C (Aggregate Net Annual Charge Volume Percentage) of section 3.
- (d) U.S. Bank will multiply the Discount Volume by the applicable percentage on Table D (Discount Volume Percentage) of section 3.
- (e) U.S. Bank will add the amounts arrived at in sections 2.2.(a)-(d) to arrive at Entity's gross rebate for the Agreement Year.
- (f) U.S. Bank will apply Charge-off Adjustments and remedies, if any, to the gross rebate to arrive at Entity's net rebate for the Agreement Year.

2.3. Payment. U.S. Bank will send Entity's net rebate within 90 days after the completion of the applicable Agreement Year. U.S. Bank will send Entity's final net rebate within 90 days after Entity satisfies all USCAA Obligations and provides written instruction to U.S. Bank to close all Accounts. U.S. Bank may retain and will not be required to pay Entity rebate payments less than \$100.00. U.S. Bank will not carry forward any rebate payment less than \$100.00. Upon termination of the Contract by Customer after expiration of the initial Agreement Term (or during the initial Agreement Term if the State terminates the Contract for Cause pursuant to State of Michigan Contract No 200000000047), U.S. Bank will provide a pro-rata rebate within 90 days of final payment on USCAA Obligations incurred by all Entities subject to the terms of this Contract, if all other requirements are met.

3. Rebate Tables.

Table B					
Performance Percentage					
File Turn Days Payment Performance	Performance Percentage	File Turn Days Payment Performance	Performance Percentage	File Turn Days Payment Performance	Performance Percentage
45	0.0000%	29	0.0800%	13	0.1600%
44	0.0050%	28	0.0850%	12	0.1650%
43	0.0100%	27	0.0900%	11	0.1700%
42	0.0150%	26	0.0950%	10	0.1750%
41	0.0200%	25	0.1000%	9	0.1800%
40	0.0250%	24	0.1050%	8	0.1850%
39	0.0300%	23	0.1100%	7	0.1900%
38	0.0350%	22	0.1150%	6	0.1950%
37	0.0400%	21	0.1200%	5	0.2000%
36	0.0450%	20	0.1250%	4	0.2050%
35	0.0500%	19	0.1300%	3	0.2100%
34	0.0550%	18	0.1350%	2	0.2150%
33	0.0600%	17	0.1400%	1	0.2200%
32	0.0650%	16	0.1450%	0	0.2250%
31	0.0700%	15	0.1500%		
30	0.0750%	14	0.1550%		

Table C	
Net Annual Charge Volume Percentage	
Aggregate Net Annual Charge Volume	Percentage

\$10,000,000.00	1.5100%
\$20,000,000.00	1.7050%
\$30,000,000.00	1.8400%
\$40,000,000.00	1.9300%
\$50,000,000.00	1.9950%
\$60,000,000.00	2.0050%
\$70,000,000.00	2.0200%
\$80,000,000.00	2.0300%
\$90,000,000.00	2.0400%
\$100,000,000.00	2.0650%
\$125,000,000.00	2.0750%
\$150,000,000.00	2.0850%
\$175,000,000.00	2.0900%
\$200,000,000.00	2.1000%

Table D
Discount Volume Percentage
0.9000%

4. **Rebate Payment Registration.** Customer shall register for ACH payments in the manner prescribed by U.S. Bank. U.S. Bank will not make any rebate payments until Customer has registered for ACH. If Customer fails to register for ACH by the completion of the first Agreement Year, Customer forfeits any payment for that Agreement Year and any subsequent Agreement Years in which Customer fails to register for ACH. Customer designates the following person to register Customer for ACH:

Rebate Payment Registration	
a) Authorized Person's Name	
b) Authorized Person's Email Address	

5. **Interchange Rate.** U.S. Bank may modify the current rebates if existing interchange rates or programs are modified or new interchange rates or programs are developed; provided however that any such change must be incorporated into the Contract pursuant to a Change Notice.
6. **Fees.** U.S. Bank may charge Customer the fees set forth below. Failure of U.S. Bank to apply any fee set forth in this Agreement at any time does not preclude U.S. Bank from ever applying such fee. U.S. Bank may modify the Foreign Transaction Fee upon 90 days prior written notice to Customer; provided however that any such modification must be incorporated into the Contract pursuant to a Change Notice.

FEES	
Description	Fee
Annual Card Fee	\$0.00
Delinquency Fee	
Not paid by due date on the entire past due balance	0.0%
Not paid by each subsequent Billing Cycle on the entire past due balance	0.7 %
Electronic Attachment Utility	\$3.00, annually per Account

Expedited Card Delivery Fee	\$0.00, per delivery
Expense Management Fee	\$40.00 annually, per Account
Foreign Transaction Fee	1.0%
Logo Setup Fee	\$0.00
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00, per occurrence
Statements	
Statement copy fee	
Paper Statement fee	\$5.00, per copy
Draft copy fee	\$5.00, per copy
	\$0.00, per copy

7. Governing Law and Venue. The laws of the state in which Customer resides and applicable federal laws and regulations of the United States, apply to any dispute arising out of this Agreement, its subject matter, or its formation. The parties shall bring any dispute or claim arising out of or related to this Agreement before a state or federal court in the city of Lansing, Michigan.

8. Incorporation. The following are incorporated herein by reference as if set forth at length:

- 8.1 Recitals.**
- 8.2 Exhibit A – Commercial Account Agreement Terms and Conditions.**



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget –
Central Procurement

525 W. Allegan St, Lansing, MI 48933
P.O. Box 30026, Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number 2
to
Contract Number 20000000047

CURRENT CONTRACTOR	US Bank National Association
	901 Marquette Ave, Suite 1800
	Minneapolis, MN 55402
	Samy Kayser
	612-436-6553
	samyukta.kayser@usbank.com
	CV0050176

NEW CONTRACTOR	U.S. Bank National Association
	901 Marquette Ave, Suite 1800
	Minneapolis, MN 55402
	Samy Kayser
	612-436-6553
	samyukta.kayser@usbank.com
	CV0014056

STATE CONTACTS				
Program Manager	Marsha Stansfield	DTMB	Contract Administrator	
	517-241-5521			Joy Nakfoor
	stansfieldm@michigan.gov			DTMB
			517-249-0481	
			nakfoorj@michigan.gov	

CONTRACT SUMMARY

DESCRIPTION: STATEWIDE PROCUREMENT CARD			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
Nov, 1, 2019	April 30, 2025	5-1 year	April 30, 2025
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		June 30, 2025
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$370,000,000.00		\$0.00	\$370,000,000.00	

DESCRIPTION: Effective April 27, 2020, the Go-Live date for this contract is updated to July 1, 2020 and revised contract expiration date is June 30, 2025. The Contractor is also changed from US Bank National Association (CV0050176) to U.S. Bank (CV0014056).

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 1
 to
 Contract Number 20000000047

CONTRACTOR	US BANK NATIONAL ASSOCIATION
	901 Marquette Ave, Suite 1800
	Minneapolis, MN 55402
	Sammy Kayser
	612-436-6553
	samyukta.kayser@usbank.com
	CV0050176

STATE	Program Manager	Marsha Stansfield	DTMB
		517-241-5521	
		stansfieldm@michigan.gov	
	Contract Administrator	Joy Nakfoor	DTMB
		(517) 249-0481	
		nakfoorj@michigan.gov	

CONTRACT SUMMARY

STATEWIDE PROCUREMENT CARD			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
November 1, 2019	April 30, 2025	5 - 1 Year	April 30, 2025
PAYMENT TERMS		DELIVERY TIMEFRAME	
		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS
N/A

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		April 30, 2025
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$370,000,000.00	\$0.00	\$370,000,000.00		

DESCRIPTION

Effective January 6, 2020, the following amendment is hereby incorporated into the contract:

- One Card™ is added to the contract, under Schedule A, 10.1 Products and Services,
- Schedule B - Pricing is updated to add One Card Accounts fee table information, and
- Schedule C - U.S. Bank Commercial Account Agreement and Terms and Conditions is updated to add One Card, specifically to sections 1. Product Selection, 2.1 Conditions - Table A Requirements

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement approval.

**SCHEDULE B
PRICING MATRIX**

1. Any fees associated with Contractor's program for which the State will be liable (i.e. custom reports, interface creation, data file download) have been identified.
2. Any fees associated with database technology for additional services provided by the Contractor have been identified.
3. Any additional costs for additional products and services related to program enhancements have been identified.
4. The Contractor will pay the State a rebate based on the annual charge volume (including MiDeal participation) combined with cycle dates and timing of Contractor's receipt of payment. The rebate schedule is provided below.
5. Revenue and incentive rates must be calculated on the total cumulative spend for all entities participating in this cooperative program and must be proportionately allocated.

Volume Incentive

Annual Volume (US\$)	Rate
10,000,000	1.5100%
20,000,000	1.7050%
30,000,000	1.8400%
40,000,000	1.9300%
50,000,000	1.9950%
60,000,000	2.0050%
70,000,000	2.0200%
80,000,000	2.0300%
90,000,000	2.0400%
100,000,000	2.0650%
125,000,000	2.0750%
150,000,000	2.0850%
175,000,000	2.0900%
200,000,000	2.1000%

*File Turn Days must be 45 or less
Credit Losses deducted from Rebate
Fraud Losses absorbed by U.S. Bank
Rebate payment: Annual*

Speed of Payment Incentive

File Turn Days	Rate	File Turn Days	Rate	File Turn Days	Rate
45	0.0000%	30	0.0750%	15	0.1500%
44	0.0050%	29	0.0800%	14	0.1550%
43	0.0100%	28	0.0850%	13	0.1600%
42	0.0150%	27	0.0900%	12	0.1650%
41	0.0200%	26	0.0950%	11	0.1700%
40	0.0250%	25	0.1000%	10	0.1750%
39	0.0300%	24	0.1050%	9	0.1800%
38	0.0350%	23	0.1100%	8	0.1850%
37	0.0400%	22	0.1150%	7	0.1900%
36	0.0450%	21	0.1200%	6	0.1950%
35	0.0500%	20	0.1250%	5	0.2000%
34	0.0550%	19	0.1300%	4	0.2050%
33	0.0600%	18	0.1350%	3	0.2100%
32	0.0650%	17	0.1400%	2	0.2150%
31	0.0700%	16	0.1450%	1	0.2200%
				0	0.2250%

Volume Incentive

Rate
0.9000%

File Turn Days must be 45 or less
 Credit Losses deducted from Rebate
 Fraud Losses absorbed by U.S. Bank
 Rebate Payment: Annual

Speed of Payment Incentive

File Turn Days	Rate	File Turn Days	Rate	File Turn Days	Rate
45	0.0000%	29	0.0800%	14	0.1550%
44	0.0050%	28	0.0850%	13	0.1600%
43	0.0100%	27	0.0900%	12	0.1650%
42	0.0150%	26	0.0950%	11	0.1700%
41	0.0200%	25	0.1000%	10	0.1750%
40	0.0250%	24	0.1050%	9	0.1800%
39	0.0300%	23	0.1100%	8	0.1850%
38	0.0350%	22	0.1150%	7	0.1900%
37	0.0400%	21	0.1200%	6	0.1950%
36	0.0450%	20	0.1250%	5	0.2000%
35	0.0500%	19	0.1300%	4	0.2050%
34	0.0550%	18	0.1350%	3	0.2100%
33	0.0600%	17	0.1400%	2	0.2150%
32	0.0650%	16	0.1450%	1	0.2200%
31	0.0700%	15	0.1500%	0	0.2250%
30	0.0750%				

Cycle/Payment Rebate scenario For Standard Volume Rebate										
State of Michigan	Cycle Days	7	14	14	30	30	30	30	30	30
Total Standard Spend	Grace Days	3	3	7	3	7	14	20	25	30
	Estimated File Turn Days	7	10	14	18	22	29	35	40	45
Aggregate Volume Grid		Rebate Basis Points								
10,000,000	19,999,999	1.7000%	1.68500%	1.66500%	1.6450%	1.6250%	1.5900%	1.5600%	1.5350%	1.5100%
20,000,000	29,999,999	1.89500%	1.88000%	1.86000%	1.8400%	1.8200%	1.7850%	1.7550%	1.7300%	1.7050%
30,000,000	39,999,999	2.03000%	2.01500%	1.99500%	1.9750%	1.9550%	1.9200%	1.8900%	1.8650%	1.8400%
40,000,000	49,999,999	2.12000%	2.10500%	2.08500%	2.0650%	2.0450%	2.0100%	1.9800%	1.9550%	1.9300%
50,000,000	59,999,999	2.18500%	2.17000%	2.15000%	2.1300%	2.1100%	2.0750%	2.0450%	2.0200%	1.9950%
60,000,000	69,999,999	2.19500%	2.18000%	2.16000%	2.1400%	2.1200%	2.0850%	2.0550%	2.0300%	2.0050%
70,000,000	79,999,999	2.21000%	2.19500%	2.17500%	2.1550%	2.1350%	2.1000%	2.0700%	2.0450%	2.0200%
80,000,000	89,999,999	2.22000%	2.20500%	2.18500%	2.1650%	2.1450%	2.1100%	2.0800%	2.0550%	2.0300%
90,000,000	99,999,999	2.23000%	2.21500%	2.19500%	2.1750%	2.1550%	2.1200%	2.0900%	2.0650%	2.0400%
100,000,000	124,999,999	2.25500%	2.24000%	2.22000%	2.2000%	2.1800%	2.1450%	2.1150%	2.0900%	2.0650%
125,000,000	149,999,999	2.26500%	2.25000%	2.23000%	2.2100%	2.1900%	2.1550%	2.1250%	2.1000%	2.0750%
150,000,000	174,999,999	2.27500%	2.26000%	2.24000%	2.2200%	2.2000%	2.1650%	2.1350%	2.1100%	2.0850%
175,000,000	199,999,999	2.28000%	2.26500%	2.24500%	2.2250%	2.2050%	2.1700%	2.1400%	2.1150%	2.0900%
200,000,000	+	2.29000%	2.27500%	2.25500%	2.2350%	2.2150%	2.1800%	2.1500%	2.1250%	2.1000%

Please note that the highlighted grid in yellow is based on the calculation provided above for Standard Volume.

Cycle/Payment Rebate scenario For Discount Volume Rebate										
State of Michigan	Cycle Days	7	14	14	30	30	30	30	30	30
Discount Interchange Rebate	Grace Days	3	3	7	3	7	14	20	25	30
	Estimated File Turn Days	7	10	14	18	22	29	35	40	45
Volume Grid		Rebate Basis Points								
0	+	1.09000%	1.07500%	1.05500%	1.0350%	1.0150%	0.9800%	0.9500%	0.9250%	0.9000%

Please note that the highlighted grid in yellow is based on the calculation provided above for Discount Volume.

Corporate Travel Card	
Feature	Fee
General	
Annual Card Fee	No Fee
Delinquency Fees: <ul style="list-style-type: none"> ▪ Fee assessed on the entire past due amount if full balance is not paid by the due date ▪ Fee assessed each subsequent cycle on the entire past due amount 	No Fee 2.5% (minimum \$2.00)
Interest Charges	No Fee
Cash Advance Fee	2.5% (minimum \$2.00)
Convenience Check Fee	2.5% (minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$2.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$9.00 per statement
Draft/Receipt Copy	No Fee
Replacement Card Fee	No Fee
Expedited Delivery Fee	No Fee
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00
Foreign Currency Fee (if applicable)	1% per transaction
Benefits	
Travel Accident Insurance: \$500,000 coverage	No Fee
Auto Rental Insurance	No Fee
Mastercard Liability Insurance: \$100,000 coverage	No Fee
Lost Luggage Insurance: Maximum \$1,250; not to exceed common carrier reimbursement	No Fee
Other	
Implementation and Training Cost	No Fee
Access Online	No Fee
Custom Mapping	Fee based upon scope of service
Logo Setup Fee	No Fee
Customized Plastic: Three custom plastics are waived for the State. For political subdivisions, there would be the following fees: <ul style="list-style-type: none"> ▪ Quantity of less than 2,000 cards ▪ Quantity of more than 2,000 cards; or specialty printing needs (minimum of 1,000 cards) 	\$2,000 \$5,000

Purchasing Card	
Feature	Fee
General	
Annual Card Fee	No Fee
Delinquency Fees:	
▪ Fee assessed on the entire past due amount if full balance is not paid by the due date	2.5% (minimum \$2.00)
▪ Fee assessed each subsequent cycle on the entire past due amount	2.5% (minimum \$2.00)
Interest Charges	No Fee
Cash Advance Fee	2.5% (minimum \$2.00)
Convenience Check Fee	2.5% (minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$2.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$9.00 per additional statement
Draft/Receipt Copy	No Fee
Replacement Card Fee	No Fee
Expedited Delivery Fee	No Fee
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00 per occurrence
Foreign Transaction Fee (if applicable)	1% per transaction
Other	
Implementation and Training Cost	No Fee
Access Online	No Fee
Electronic Attachments (receipt imaging) Annual Fee	\$3.00 per user
Custom Mapping	Fee based upon scope of service
Logo Setup Fee	No Fee
Customized Plastic: Three custom plastics are waived for the State. For political subdivisions, there would be the following fees:	
▪ Quantity of less than 2,000 cards	\$2,000
▪ Quantity of more than 2,000 cards; or specialty printing needs (minimum of 1,000 cards)	\$5,000

One Card Accounts	
Feature	Fee
General	
Annual Card Fee	No Fee
Delinquency Fees:	
▪ Fee assessed on the entire past due amount if full balance is not paid by the due date	2.5% (minimum \$2.00)
▪ Fee assessed each subsequent cycle on the entire past due amount	2.5% (minimum \$2.00)
Interest Charges	No Fee
Cash Advance Fee	2.5% (minimum \$2.00)
Convenience Check Fee	2.5% (minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$2.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$9.00 per additional statement
Draft/Receipt Copy	No Fee
Replacement Card Fee	No Fee
Expedited Delivery Fee	No Fee
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00 per occurrence
Foreign Transaction Fee (if applicable)	1% per transaction
Other	
Implementation and Training Cost	No Fee
Access Online	No Fee
Electronic Attachments (receipt imaging) Annual Fee	\$3.00 per user
Custom Mapping	Fee based upon scope of service
Logo Setup Fee	No Fee
Customized Plastic: Three custom plastics are waived for the State. For political subdivisions, there would be the following fees:	
▪ Quantity of less than 2,000 cards	\$2,000
▪ Quantity of more than 2,000 cards; or specialty printing needs (minimum of 1,000 cards)	\$5,000



**SCHEDULE C
U.S. BANK
COMMERCIAL ACCOUNT AGREEMENT FOR THE STATE OF MICHIGAN**

This United States Commercial Account Agreement ("**Agreement**") is between **Legal Entity Name of Customer** a [State] [Government Organization] ("**Customer**") and U.S. Bank National Association ("**U.S. Bank**"). This Agreement is effective upon signing by U.S. Bank ("**Effective Date**").

Recitals

1. U.S. Bank is an authorized issuing member of certain card associations for the provision of commercial charge accounts;
2. U.S. Bank, in its own capacity or through its affiliates, offers commercial charge accounts and services in the United States, called the Commercial Account Program ("**Program**"); and
3. Customer desires to utilize the Program.

Now, therefore, for and in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Customer and U.S. Bank agree to the following:

1. Product Selection.

Product Selection	Minimum Annual Charge	Number of Account holders
<input checked="" type="checkbox"/> Corporate Accounts	\$ _____	_____
<input checked="" type="checkbox"/> One Card™ Accounts	\$ _____	_____
<input checked="" type="checkbox"/> Purchase Accounts	\$ _____	_____
One Card Optional Enhancements ¹	Minimum Annual Charge	Product
<input type="checkbox"/> Central billing accounts	\$ _____	<input type="checkbox"/> One Card <input type="checkbox"/> Purchase <input type="checkbox"/> Corporate
<input type="checkbox"/> Managed Spend card	\$ _____	<input type="checkbox"/> One Card <input type="checkbox"/> Purchase <input type="checkbox"/> Corporate

2. Rebate. An Entity may earn a rebate for the products selected in section 1 (Product Selection) above.

2.1. Conditions. To be eligible for and to retain a rebate, Entity must: (i) satisfy all requirements in Table A; (ii) complete the Agreement Year in which a rebate is earned; and (iii) complete the Agreement Term. If Entity fails to satisfy all requirements of this section, (i) U.S. Bank may retain and will not be required to pay Entity a rebate payment; and (ii) US Bank will invoice the State pursuant to the Contract Terms for any outstanding amounts due to US Bank related to Charge-offs and rebates.

Table A Requirements	
	Corporate Accounts, One Card Accounts & Purchase Accounts
File Turn Day Payment Performance	≤ 45
Aggregate Net Annual Charge Volume	≥ \$10,000,000.00
Minimum Rebate Earned	≥ \$100.00

2.2. Rebate Calculation. If an Entity satisfies all requirements in an Agreement Year, U.S. Bank will calculate a rebate for that Entity in the same Agreement Year as follows:

- (a) U.S. Bank will multiply the Net Annual Charge Volume by the applicable percentage on Table B (Performance Percentage) of section 3.

¹ U.S. Bank may suspend or terminate access to Optional Enhancements if U.S. Bank, in its sole discretion, determines that continued access presents a risk of loss or liability to U.S. Bank or Customer.

- (b) U.S. Bank will multiply the Discount Volume by the applicable percentage on Table B (Performance Percentage) of section 3.
- (c) U.S. Bank will multiply the Net Annual Charge Volume by the applicable percentage on Table C (Aggregate Net Annual Charge Volume Percentage) of section 3.
- (d) U.S. Bank will multiply the Discount Volume by the applicable percentage on Table D (Discount Volume Percentage) of section 3.
- (e) U.S. Bank will add the amounts arrived at in sections 2.2.(a)-(d) to arrive at Entity's gross rebate for the Agreement Year.
- (f) U.S. Bank will apply Charge-off Adjustments and remedies, if any, to the gross rebate to arrive at Entity's net rebate for the Agreement Year.

2.3. Payment. U.S. Bank will send Entity's net rebate within 90 days after the completion of the applicable Agreement Year. U.S. Bank will send Entity's final net rebate within 90 days after Entity satisfies all USCAA Obligations and provides written instruction to U.S. Bank to close all Accounts. U.S. Bank may retain and will not be required to pay Entity rebate payments less than \$100.00. U.S. Bank will not carry forward any rebate payment less than \$100.00. Upon termination of the Contract by Customer after expiration of the initial Agreement Term (or during the initial Agreement Term if the State terminates the Contract for Cause pursuant to State of Michigan Contract No 200000000047), U.S. Bank will provide a pro-rata rebate within 90 days of final payment on USCAA Obligations incurred by all Entities subject to the terms of this Contract, if all other requirements are met.

3. Rebate Tables.

Table B					
Performance Percentage					
File Turn Days Payment Performance	Performance Percentage	File Turn Days Payment Performance	Performance Percentage	File Turn Days Payment Performance	Performance Percentage
45	0.0000%	29	0.0800%	13	0.1600%
44	0.0050%	28	0.0850%	12	0.1650%
43	0.0100%	27	0.0900%	11	0.1700%
42	0.0150%	26	0.0950%	10	0.1750%
41	0.0200%	25	0.1000%	9	0.1800%
40	0.0250%	24	0.1050%	8	0.1850%
39	0.0300%	23	0.1100%	7	0.1900%
38	0.0350%	22	0.1150%	6	0.1950%
37	0.0400%	21	0.1200%	5	0.2000%
36	0.0450%	20	0.1250%	4	0.2050%
35	0.0500%	19	0.1300%	3	0.2100%
34	0.0550%	18	0.1350%	2	0.2150%
33	0.0600%	17	0.1400%	1	0.2200%
32	0.0650%	16	0.1450%	0	0.2250%
31	0.0700%	15	0.1500%		
30	0.0750%	14	0.1550%		

Table C	
Net Annual Charge Volume Percentage	
Aggregate Net Annual Charge Volume	Percentage

\$10,000,000.00	1.5100%
\$20,000,000.00	1.7050%
\$30,000,000.00	1.8400%
\$40,000,000.00	1.9300%
\$50,000,000.00	1.9950%
\$60,000,000.00	2.0050%
\$70,000,000.00	2.0200%
\$80,000,000.00	2.0300%
\$90,000,000.00	2.0400%
\$100,000,000.00	2.0650%
\$125,000,000.00	2.0750%
\$150,000,000.00	2.0850%
\$175,000,000.00	2.0900%
\$200,000,000.00	2.1000%

Table D
Discount Volume Percentage
0.9000%

4. **Rebate Payment Registration.** Customer shall register for ACH payments in the manner prescribed by U.S. Bank. U.S. Bank will not make any rebate payments until Customer has registered for ACH. If Customer fails to register for ACH by the completion of the first Agreement Year, Customer forfeits any payment for that Agreement Year and any subsequent Agreement Years in which Customer fails to register for ACH. Customer designates the following person to register Customer for ACH:

Rebate Payment Registration	
a) Authorized Person's Name	
b) Authorized Person's Email Address	

5. **Interchange Rate.** U.S. Bank may modify the current rebates if existing interchange rates or programs are modified or new interchange rates or programs are developed; provided however that any such change must be incorporated into the Contract pursuant to a Change Notice.
6. **Fees.** U.S. Bank may charge Customer the fees set forth below. Failure of U.S. Bank to apply any fee set forth in this Agreement at any time does not preclude U.S. Bank from ever applying such fee. U.S. Bank may modify the Foreign Transaction Fee upon 90 days prior written notice to Customer; provided however that any such modification must be incorporated into the Contract pursuant to a Change Notice.

FEES	
Description	Fee
Annual Card Fee	\$0.00
Delinquency Fee Not paid by due date on the entire past due balance Not paid by each subsequent Billing Cycle on the entire past due balance	0.7 %
Electronic Attachment Utility	\$3.00, annually per Account

Expedited Card Delivery Fee	\$0.00, per delivery
Expense Management Fee	\$40.00 annually, per Account
Foreign Transaction Fee	1.0%
Logo Setup Fee	\$0.00
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00, per occurrence
Statements	
Statement copy fee	
Paper Statement fee	\$5.00, per copy
Draft copy fee	\$5.00, per copy
	\$0.00, per copy

- 7. Governing Law and Venue.** The laws of the state in which Customer resides and applicable federal laws and regulations of the United States, apply to any dispute arising out of this Agreement, its subject matter, or its formation. The parties shall bring any dispute or claim arising out of or related to this Agreement before a state or federal court in the city of Lansing, Michigan.
- 8. Incorporation.** The following are incorporated herein by reference as if set forth at length:
- 8.1 Recitals.**
 - 8.2 Exhibit A – Commercial Account Agreement Terms and Conditions.**



STATE OF MICHIGAN PROCUREMENT
 Department of Technology, Management, and Budget –
 Central Procurement
 525 W Allegan St, Lansing, MI 48933
 P.O. Box 30026, Lansing, MI 48909

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. 200000000047
 between
 THE STATE OF MICHIGAN
 and

CONTRACTOR	US Bank National Association
	901 Marquette Ave, Suite 1800
	Minneapolis, MN 55402
	Samy Kayser
	612-436-6553
	Samyukta.kayser@usbank.com
	CV0050176

STATE	Program Manager	Marsha Stansfield	DTMB
		517-241-5521	
	stansfieldm@michigan.gov		
	Contract Administrator	Joy Nakfoor	DTMB
517-249-0481			
nakfoorj@michigan.gov			

CONTRACT SUMMARY			
DESCRIPTION: Statewide Procurement Card			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
Nov 1, 2019	April 30, 2025	5 – 1 year	
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER. This Contract Agreement is awarded on the basis of our inquiring RFP No. 190000000677. Orders for delivery will be issued directly by Departments through the issuance of a Delivery Order Form.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$370,000,000.00

FOR THE CONTRACTOR:

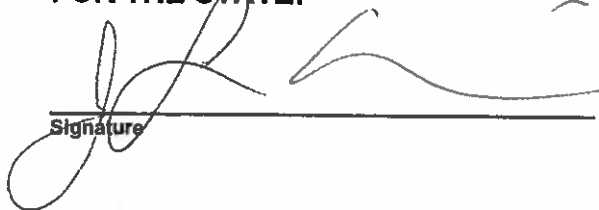
U.S. Bank National Association
Company Name


Authorized Agent Signature

BEVAN RICHTER
Authorized Agent (Print or Type)

10/18/19
Date

FOR THE STATE:


Signature

Jared Ambrosier – Director, Enterprise Sourcing
Name & Title

DTMB – Central Procurement
Agency

10-23-19
Date



STATE OF MICHIGAN

CONTRACT TERMS

This Contract (this “**Contract**”) is agreed to between the State of Michigan (the “**State**”) and U.S. Bank National Association (“**Contractor**”), a national banking association. This Contract is effective on November 1, 2019 (“**Effective Date**”), and unless earlier terminated, will expire on April 30, 2025 (the “**Term**”). Nov 1, 2019 – April 30, 2020 is the implementation period and services are to begin without interruption on May 1, 2020. With the exception of payments made to Contractor for charges incurred on P-Cards during the implementation period, no payment will be made to Contractor during the implementation period.

This Contract may be renewed for up to five (5) additional one (1) year periods. Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice. If, at the time the State elects to extend the Term of the Contract, US Bank would like the State to consider a change in the Pricing Table, the State agrees to review US Bank’s proposal and the Parties agree to negotiate in good faith to reach an acceptable compromise.

1. Definitions. For the purposes of this Contract, the following terms have the following meanings:

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the direct or indirect ownership of more than fifty percent (50%) of the voting securities of a Person.

“**Allegedly Infringing Materials**” has the meaning set forth in **Section 26.3(b)(ii)**.

“**Authorized Users**” means all Persons authorized by the State to access and use the Software under this Contract, subject to the maximum number of users specified in the applicable Statement of Work.

“**Business Day**” means a day other than a Saturday, Sunday or other day on which the State is authorized or required by law to be closed for business.

“**Business Owner**” is the individual appointed by the agency buyer to (a) act as the agency’s representative in all matters relating to the Contract, and (b) co-sign off on notice of Acceptance for the Software. The Business Owner will be identified in the Statement of Work.

“**Change**” has the meaning set forth in **Section 5.2**.

“Change Notice” has the meaning set forth in **Section 5.2(b)**.

“Change Proposal” has the meaning set forth in **Section 5.2(a)**.

“Change Request” has the meaning set forth in **Section 5.2**.

“Confidential Information” has the meaning set forth in **Section 20.1**.

“**Contract**” has the meaning set forth in the preamble.

“**Contract Administrator**” has the meaning set forth in **Section 3**.

“**Contractor**” has the meaning set forth in the preamble.

“**Contractor’s Bid Response**” means the Contractor’s proposal submitted in response to the RFP.

“**Contractor Personnel**” means all employees of Contractor or any Permitted Subcontractors involved in the performance of Services hereunder.

“**Deliverables**” means all items specifically identified as Deliverables in the Statement of Work.

“**Dispute Resolution Procedure**” has the meaning set forth in **Section 31**.

“**Documentation**” means all user manuals, operating manuals, technical manuals and any other instructions, specifications, documents or materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support, technical or other components, features or requirements of the Software.

“**DTMB**” means the Michigan Department of Technology, Management and Budget.

“**Effective Date**” has the meaning set forth in the preamble.

“**Exhibit B - Pricing Matrix**” means the rebate schedule to be completed by Contractor attached as **Exhibit B – Pricing Matrix**.

“**Financial Audit Period**” has the meaning set forth in **Section 28.1**.

“**Force Majeure**” has the meaning set forth in **Section 32.1(a)**.

“**Harmful Code**” means any: (a) virus, trojan horse, worm, backdoor or other software or hardware devices the effect of which is to permit unauthorized access to, or to disable, erase, or otherwise harm, any computer, systems or software; or (b) time bomb, drop dead device, or other software or hardware device designed to disable a computer program automatically with the passage of time or under the positive control of any Person, or otherwise prevent, restrict or impede the State’s or any Authorized User’s use of such software.

“**HIPAA**” has the meaning set forth in **Section 21**.

“Implementation Plan” means the schedule included in the Statement of Work setting forth the sequence of events for the performance of Services under the Statement of Work, including the Milestones and Milestone Dates.

“Intellectual Property Rights” means all or any of the following: (a) patents, patent disclosures, and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the associated goodwill; (c) copyrights and copyrightable works (including computer programs), mask works and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable law in any jurisdiction throughout the world.

“Key Personnel” means any Contractor Personnel identified as key personnel in the Statement of Work.

“License Agreement” has the meaning set forth in **Section 6**.

“Loss or Losses” means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

“Milestone” means an event or task described in the Implementation Plan under the Statement of Work that must be completed by the corresponding Milestone Date.

“Milestone Date” means the date by which a particular Milestone must be completed as set forth in the Implementation Plan under the Statement of Work.

“New Version” means any new version of the Software that the Contractor may from time to time introduce and market generally as a distinct licensed product, as may be indicated by Contractor's designation of a new version number.

“Operating Environment” means, collectively, the platform, environment and conditions on, in or under which the Software is intended to be installed and operate, as set forth in the Statement of Work, including such structural, functional and other features, conditions and components as hardware, operating software and system architecture and configuration.

“Permitted Subcontractor” has the meaning set forth in **Section 10.4**.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

“Pricing” means any and all fees, rates, rebates, and prices payable under this Contract, including pursuant to any Schedule or Exhibit hereto.

“Program Manager” is the individual appointed by each party to (a) monitor and coordinate the day-to-day activities of this Contract, and (b) for the State, to co-sign off on its notice of Acceptance for the Software. Each party's Program Manager will be identified in the Statement of Work.

“Representatives” means a party's employees, officers, directors, partners, shareholders, agents, attorneys, successors and permitted assigns.

“RFP” means the State's request for proposal designed to solicit responses for Services under this Contract.

“Services” means any of the services Contractor is required to or otherwise does provide under this Contract, the Statement of Work, the Maintenance and Support Schedule (if applicable), or the Service Level Agreement (if applicable).

“Software” means Contractor's software or web-based application set forth in the Statement of Work, and any maintenance releases or new versions of the Software provided to the State, and all copies of the foregoing permitted under this Contract and the License Agreement.

“State” means the State of Michigan.

“State Data” has the meaning set forth in **Section 19.1**.

“State Materials” means all materials and information, including documents, data, know-how, ideas, methodologies, specifications, software, content and technology, in any form or media, directly or indirectly provided or made available to Contractor by or on behalf of the State in connection with this Contract.

“State Resources” has the meaning set forth in **Section 11.1**.

“Statement of Work” means any statement of work entered into by the parties and attached as a schedule to this Contract. The initial Statement of Work is attached as **Schedule A**, and subsequent Statements of Work shall be sequentially identified and attached as Schedules A-1, A-2, A-3, etc.

“Stop Work Order” has the meaning set forth in **Section 24**.

“Term” has the meaning set forth in the preamble.

“Third Party” means any Person other than the State or Contractor.

“Transition Period” has the meaning set forth in **Section 23.3**.

“Transition Responsibilities” has the meaning set forth in **Section 23.3**.

“Unauthorized Removal” has the meaning set forth in **Section 10.3(b)**.

“U.S. Bank Commercial Account Agreement” means the U.S. Bank Commercial Account Agreement and associated Terms and Conditions attached as **Schedule C** to this Contract, collectively.

“Unauthorized Removal Credit” has the meaning set forth **Section 10.3(c)**.

“USCAA Obligations” has the meaning set forth in the U.S. Bank Commercial Account Agreement, attached as **Schedule C** to this Contract and incorporated herein by reference.

“Work Product” means all State-specific deliverables that Contractor is required to, or otherwise does, provide to the State under this Contract including but not limited to reports, project management documents, and other State-specific documents.

2. Duties of Contractor. Contractor must perform the services and provide the deliverables described in **Schedule A – Statement of Work** (the **“Contract Activities”**). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in **Schedule A**.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State so long as it’s consistent with Contractor policy, including the State’s quality assurance personnel, and any Third Party, to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; and (j) maintain security requirements as set forth in Schedule D of this Contract. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

3. Contract Administrator. The Contract Administrator for each party is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a **“Contract Administrator”**). The initial Contract Administrators for this Contract are set forth below; provided that each party may change its Contract Administrator from time to time by providing written notice to the other party in accordance with Section 5.2 of this Contract:

State: Joy Nakfoor 525 W Allegan St Lansing, MI 48933 nakfoorj@michigan.gov 517-249-0481	Contractor: Brad Hoffelt - CFO ATT Tower, 17th Floor 901 Marquette Ave, EP-MN-A17S Minneapolis, MN 55402 Brad.hoffelt@usbank.com 612-426-6460
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4. Program Manager. The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a **“Program Manager”**):

State: Marsha Stansfield 320 S Walnut St Lansing, MI 48933 stansfieldm@michigan.gov 517-241-5521	Contractor: Samy Kayser – Asst. VP, Relationship Management ATT Tower, 17th Floor 901 Marquette Ave, EP-MN-A17S Minneapolis, MN 55402 Samyukta.kayser@usbank.com
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5. Statements of Work. Contractor shall provide Services and Deliverables pursuant to Statements of Work entered into under this Contract. No Statement of Work shall be effective unless signed by each party's Contract Administrator. The terms and conditions of this Contract will apply at all times to any Statements of Work entered into by the parties and attached as a schedule to this Contract. The State shall have the right to terminate such Statement of Work as set forth in **Section 23**. Contractor acknowledges that time is of the essence with respect to Contractor's obligations under each Statement of Work and agrees that prompt and timely performance of all such obligations in accordance with this Contract and the Statements of Work (including the Implementation Plan and all Milestone Dates) is strictly required.

5.1 Statement of Work Requirements. Each Statement of Work will include the following:

- (a) names and contact information for Contractor's Contract Administrator, Program Manager and Key Personnel;
- (b) names and contact information for the State's Contract Administrator, Program Manager and Business Owner;
- (c) a detailed description of the Services to be provided under this Contract, including any training obligations of Contractor; and
- (d) an Implementation Plan, including all Milestones and the corresponding Milestone Dates.

5.2 Change Control Process. The State or the Contractor may at any time request in writing (each, a "**Change Request**") changes to a Statement of Work (each, a "**Change**"). Upon submission of a Change Request, the parties will evaluate and implement all Changes in accordance with this **Section 5.2**.

- (a) As soon as reasonably practicable, and in any case within twenty (20) Business Days following receipt of a Change Request, Contractor will provide the State with a written proposal for implementing the requested Change ("**Change Proposal**"), setting forth a written description of the proposed Changes to any Services or Deliverables;
- (b) Within thirty (30) Business Days following the State's receipt of a Change Proposal, the State will by written notice to Contractor, approve, reject, or propose modifications to such Change Proposal. If the State proposes modifications, Contractor must modify and re-deliver the Change Proposal reflecting such modifications, or notify the State of any disagreement, in which event the parties will negotiate in good faith to resolve their disagreement. Upon the State's approval of the Change Proposal or the parties' agreement on all proposed modifications, as the case may be, the parties will execute a written agreement to the Change Proposal ("**Change Notice**"), which Change Notice will be signed by the State's Contract Administrator and will constitute an amendment to the Statement of Work to which it relates;
- (c) No Change will be effective until the parties have executed a Change Notice. Except as the State may request in its Change Request or otherwise in writing, Contractor must continue to perform its obligations in accordance with the Statement of Work pending negotiation and execution of a Change Notice. Contractor will use its best efforts to limit any delays or fee increases from any Change to those necessary to perform the Change in

accordance with the applicable Change Notice. Each party is responsible for its own costs and expenses of preparing, evaluating, negotiating, and otherwise processing any Change Request, Change Proposal, and Change Notice.

(d) The performance of any functions, activities, tasks, obligations, roles and responsibilities comprising the Services as described in this Contract are considered part of the Services and, thus, will not be considered a Change.

(e) Contractor may, on its own initiative and at its own expense, prepare and submit its own Change Request to the State. However, the State will be under no obligation to approve or otherwise respond to a Change Request initiated by Contractor.

6. Software License. Contractor hereby grants to the State and its Authorized Users the right and license to use the Software and Documentation in accordance with the terms and conditions of this Contract and the license contained in the U.S. Bank Commercial Account Agreement set forth in **Schedule C** (the “**License Agreement**”).

7. Implementation. Contractor will configure and otherwise provide and make fully operational the Software on or prior to the applicable Milestone Date in accordance with the criteria set forth in the Statement of Work.

8. Support Services. Contractor shall provide the State with the Support Services. Such Support Services shall be provided free of charge during the Term.

9. Data Privacy and Information Security.

9.1 Undertaking by Contractor. Without limiting Contractor’s obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all Contractor Representatives comply with all of the foregoing.

9.2 Right of Audit by the State. In lieu of an on-site audit, upon written request by the State, Contractor agrees to complete, within forty-five (45) calendar days of receipt, an audit questionnaire provided by the State regarding Contractor’s data privacy and information security program with respect to the Services provided under the Contract, to the extent reasonably necessary to verify the Contractor’s compliance with the terms of the Contract.

9.3 Audit Findings. With respect to State Data, Contractor will make reasonable efforts to resolve deficiencies noted as a result of such audit in a manner commensurate to the risk those deficiencies represent.

9.4 State’s Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or the Statement of Work under **Section 23.1** of this Contract if the State determines that Contractor fails or has failed to meet its obligations under this **Section 9**.

9.5 Security Requirements for Externally Hosted Software. If the Operating Environment for the Software is externally hosted by Contractor or a subcontractor, Contractor shall comply with the security requirements set forth in **Schedule D** to this Contract.

10. Performance of Services. Contractor will provide all Services and Deliverables in a timely, professional and workmanlike manner and in accordance with the terms, conditions, and specifications set forth in this Contract and the Statement of Work.

10.1 Contractor Personnel.

(a) Contractor is solely responsible for all Contractor Personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits.

(b) Prior to any Contractor Personnel performing any Services, Contractor will ensure that such Contractor Personnel have the legal right to work in the United States;

(c) Contractor and all Contractor Personnel will comply with all rules, regulations, and policies of the State that are communicated to Contractor in writing, including security procedures concerning systems and data and remote access, building security procedures, including the restriction of access by the State to certain areas of its premises or systems, and general health and safety practices and procedures.

(d) The State reserves the right to request the removal of any Contractor Personnel found, in the judgment of the State, to be unacceptable for any lawful reason. The State's request must be written with reasonable detail outlining the reasons for the removal request. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and Contractor cannot immediately replace the removed personnel, the State agrees to negotiate an equitable adjustment in schedule or other terms that may be affected by the State's required removal.

10.2 Contractor's Program Manager. Throughout the Term of this Contract, Contractor must maintain a Contractor employee acceptable to the State to serve as Contractor's Program Manager, who will be considered Key Personnel of Contractor. Contractor's Program Manager will be identified in the Statement of Work.

(a) Contractor's Program Manager must:

- (i) have the requisite authority, and necessary skill, experience, and qualifications, to perform in such capacity;
- (ii) be responsible for overall management and supervision of Contractor's performance under this Contract; and
- (iii) be the State's primary point of contact for communications with respect to this Contract, including with respect to giving and receiving all day-to-day approvals and consents.

(b) Contractor's Program Manager must attend all regularly scheduled meetings as set forth in the Implementation Plan and will otherwise be available as set forth in the Statement of Work.

(c) Contractor will maintain the same Program Manager throughout the Term of this Contract, unless:

- (i) the State requests in writing the removal of Contractor's Program Manager;
- (ii) the State consents in writing to any removal requested by Contractor in writing; or
- (iii) Contractor's Program Manager ceases to be employed by Contractor, whether by resignation, involuntary termination or otherwise.

(d) Contractor will promptly replace its Program Manager on the occurrence of any event set forth in **Section 10.2(c)**. Such replacement will be subject to the State's prior written approval.

10.3 Contractor's Program Manager.

(a) The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of Program Manager. Before assigning an individual to the Program Manager position, Contractor will notify the State of the proposed assignment, introduce the individual to the State's Program Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.

(b) Contractor will not remove the Program Manager from his or her assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of the Program Manager without the prior written consent of the State is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing the Program Manager for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Program Manager's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under **Section 23.1**.

(c) It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Section 23.1, Contractor will issue to the State an amount equal to \$12,500 per individual (each, an "**Unauthorized Removal Credit**").

(d) Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed under Subsection (c) above is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate.

10.4 Subcontractors. Contractor may, without the prior written approval of the State, engage a Third Party to perform Services. Contractor's decision to use a Third Party (each such Third

Party, a “**Permitted Subcontractor**”) does not relieve Contractor of its representations, warranties or obligations under this Contract. Without limiting the foregoing, Contractor will:

(a) be responsible and liable for the acts and omissions of each such Permitted Subcontractor (including such Permitted Subcontractor's employees who, to the extent providing Services or Deliverables, shall be deemed Contractor Personnel) to the same extent as if such acts or omissions were by Contractor or its employees;

(b) be responsible for all fees and expenses payable to, by or on behalf of each Permitted Subcontractor in connection with this Contract, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits; and

(c) upon request, notify the State of the location of the Permitted Subcontractor and indicate if it is located within the continental United States.

10.5 Change of Control. Contractor will notify, at least 90 calendar days before the effective date, if permitted by law or regulation, the State of a change in Contractor’s organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor’s stock; (b) a sale of substantially all of Contractor’s assets; (c) a change in a majority of Contractor’s board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

11. State Obligations.

11.1 State Resources and Access. The State is responsible for providing the State Materials and such other resources as may be specified in the Statement of Work (collectively, “State Resources”); and

11.2 State Program Manager. Throughout the Term of this Contract, the State will maintain a State employee to serve as the State’s Program Manager under this Contract. The State’s Program Manager is identified in **Section 4**.

12. Pre-Delivery Testing.

12.1 Testing by Contractor. Before the go-live date as defined in the applicable Statement of Work, Contractor must:

(a) Provide a file transfer that meets all of the requirements as set forth in the applicable Statement of Work;

and

(b) Assist the State with any tests required by SIGMA to determine success of the file transfer.

12.2 Test Data. Unless otherwise specified in the Statement of Work, Contractor shall provide to the State all test data used by Contractor for its pre-delivery testing (“**Test Data**”).

13. Training. Contractor shall provide, at no additional charge, training to the State in accordance with the terms and conditions set forth in the Statement of Work. Upon the State's request, Contractor shall timely provide additional training at such reasonable times and locations as the State may request and pursuant to such rates and other terms as are set forth in **Schedule B - Pricing Matrix**.

14. Extended Purchasing Program. Subject to Contractor’s evaluation to determine whether MiDeal members meet Contractor’s requirements for creditworthiness and statutory or regulatory compliance, this Contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this contract may also be extended to other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract rebates and terms.

Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

15. Independent Contractor. Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor’s employees and any subcontractors. Prior performance does not modify Contractor’s status as an independent contractor.

16. Staffing. The State’s Contract Administrator may request Contractor to remove or reassign personnel by providing a notice to Contractor.

17. Invoices and Payment.

17.1 Invoices. Contractor will invoice the State for all USCAA Obligations. Contractor must submit each invoice in both hard copy and electronic format, via such delivery means and to such address as are specified by the State in the Statement of Work. Each separate invoice must:

- (a) clearly identify the Contract and purchase order number to which it relates, in such manner as is required by the State;
- (b) list each USCAA Obligation item separately;
- (c) include detail for each line item to enable the State to satisfy its accounting and charge-back requirements;
- (d) include such other information as may be reasonably required by the State as set forth in the Statement of Work; and
- (e) Itemized invoices must be submitted to DTMB-Accounts-Payable@michigan.gov.

17.2 Payment. Invoices are due and payable by the State, in accordance with the State's standard payment procedures as specified in 1984 Public Act no. 279, MCL 17.51, et seq., within forty-five (45) calendar days after receipt, except to the extent the State disputes the USCAA Obligations referenced in the invoice. If there is a dispute related to the USCAA Obligations, payment cannot be made pursuant to MCL 17.51 et seq. until such time as the dispute has been resolved by the Contractor. The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/SIGMAVSS> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

17.3 Taxes. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services or Deliverables purchased under this Contract are for the State's exclusive use. To the extent that merchants charge the State taxes, those taxes remain part of the USCAA Obligations, and the State may dispute the applicability of the tax with the relevant merchant.

17.4 Payment Disputes. The State may dispute charges on its Accounts through the process set forth in the United States Commercial Account Agreement in **Schedule C**.

18. Intellectual Property Rights

18.1 Ownership Rights in Software

(a) Subject to the rights and licenses granted by Contractor in this Contract and the License Agreement, and the provisions of **Section 18.1**:

- (i) Contractor reserves and retains its entire right, title and interest in and to all Intellectual Property Rights arising out of or relating to the Software; and
- (ii) none of the State or Authorized Users acquire any ownership of Intellectual Property Rights in or to the Software or Documentation as a result of this Contract.

(b) As between the State, on the one hand, and Contractor, on the other hand, the State has, reserves and retains, sole and exclusive ownership of all right, title and interest in and to State Data, including all Intellectual Property Rights arising therefrom or relating thereto.

18.2 The State is and will be the sole and exclusive owner of all right, title, and interest in and to the following Work Product developed exclusively for the State under this Contract, including all Intellectual Property Rights (the "**Designated Work Product**"). In furtherance of the foregoing:

(a) Contractor will create all Designated Work Product as work made for hire as defined in Section 101 of the Copyright Act of 1976; and

(b) to the extent any Designated Work Product does not qualify as, or otherwise fails to be, work made for hire, Contractor hereby:

- (i) assigns, transfers, and otherwise conveys to the State, irrevocably and in perpetuity, throughout the universe, all right, title, and interest in and to such Designated Work Product; and

- (ii) irrevocably waives any and all claims Contractor may now or hereafter have in any jurisdiction to so-called “moral rights” or rights of *droit moral* with respect to the Designated Work Product.

19. State Data.

19.1 Ownership. The State’s data (“**State Data**”), which will be treated by Contractor as Confidential Information, includes any data collected, used, processed, stored, or generated by the State in connection with the Services, including but not limited to (i) personally identifiable information (“**PII**”) collected, used, processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual’s social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother’s maiden name, email address, credit card information, or an individual’s name in combination with any other of the elements here listed; and (ii) personal health information (“**PHI**”) collected, used, processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act (“**HIPAA**”) and its related rules and regulations. For the avoidance of doubt, however, the parties agree that the State will use its best efforts to ensure that PHI will not be collected, used, processed, stored, or generated by the State and transmitted to US Bank in connection with the Services. In the event that PHI is transmitted to US Bank by the State, the State will notify US Bank immediately upon discovery and ask US Bank to return or destroy the relevant State Data, subject to applicable law or regulation. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This **Section 19.1** survives termination or expiration of this Contract.

19.2 Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, use and display State Data only to the extent necessary in the provision of the Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor’s own purposes or for the benefit of anyone other than the State without the State’s prior written consent. This **Section 19.2** survives termination or expiration of this Contract.

19.3 Loss or Compromise of Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is reasonably suspected to have compromised the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data (in such case, an “**Avoidable Occurrence**”), Contractor must, as applicable: (a) notify the State within seventy-two (72) hours of confirming an Avoidable Occurrence; (b) cooperate with the State in investigating the Avoidable Occurrence, including making available all relevant records, logs, files, data reporting, and other materials as reasonably requested; (c) in the case of PII, as reasonably requested by the State, (i) with approval and assistance from the State, notify the affected individuals who comprise the PII as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within ten (10) calendar days of

the occurrence, or upon such other time period as reasonably requested by Contractor and agreed to by the parties; or (ii) reimburse the State for actual out-of-pocket costs incurred by the State in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence; (g) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for Third Party claims, including reasonable attorneys' fees and costs, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the Avoidable Occurrence; (h) to the extent possible, be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. This **Section 19.3** survives termination or expiration of this Contract.

20. Confidential Information. Each party acknowledges that it may be exposed to or acquire communication or data of the other party that is confidential in nature and is not intended to be disclosed to third parties. This **Section 20** survives termination or expiration of this Contract.

20.1 Meaning of Confidential Information. The term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was or is: (a) in the possession of the State and subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). Notwithstanding the above, in all cases and for all matters, State Data is deemed to be Confidential Information.

20.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use

such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor's subcontractor is permissible where: (a) the subcontractor is a Permitted Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Permitted Subcontractor's responsibilities; and (c) the Permitted Subcontractor is subject to a written confidentiality agreement with Contractor that contains provisions obligating Permitted Subcontractors to protect all State Data in a manner as least as stringent as required by this Contract, including all associated schedules.

20.3 Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party promptly in the event either party learns that any person who has had access to Confidential Information has disclosed or intends to disclose Confidential Information in violation of the Contract without the other party's consent. Each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

20.4 Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State beyond the USCAA Obligations already incurred, of this Contract or the Statement of Work for cause in accordance with **Section 23.1**.

20.5 Surrender of Confidential Information upon Termination. Upon termination or expiration of this Contract, in whole or in part, each party must, upon request of the other party, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control. If Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information upon request. Notwithstanding the foregoing, Contractor may keep one record copy of Confidential Information to comply with applicable regulations and statutes and Contractor agrees to protect such information in accordance with the terms of this Contract for as long as Contractor retains said copy.

21. HIPAA Compliance. The State and Contractor must comply with all obligations under HIPAA and its accompanying regulations, including but not limited to entering into a business associate agreement, if reasonably necessary to keep the State and Contractor in compliance with HIPAA.

22. ADA Compliance. The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. Contractor's Service Software must comply, where relevant, with level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0.

23. Termination, Expiration, Transition. The State may terminate this Contract, the Support Services, or any Statement of Work, in accordance with the following:

23.1 Termination for Cause. In addition to any right of termination set forth elsewhere in this Contract:

(a) The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (i) endangers the value, integrity, or security of State Systems, State Data, or the State's facilities or personnel; (ii) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; or (iii) breaches any of its material duties or obligations under this Contract. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

(b) If the State terminates this Contract under this **Section 23.1**, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of this Contract, the termination will be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 23.2**.

(c) Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, and court costs, and transition costs.

(d) The State will pay its USCAA Obligations.

23.2 Termination for Convenience. The State may immediately terminate this Contract in whole or in part, without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance immediately, or (b) continue to perform in accordance with **Section 23.3**. If the State terminates this Contract for convenience, the State will pay all its USCAA Obligations.

23.3 Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days; the "**Transition Period**"), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract to continue without interruption or adverse effect, and to facilitate the orderly transfer of the Services to the State or its designees. Such transition assistance may include but is not limited to: (a) continuing to perform the Services subject to the terms and conditions of this Contract; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all State Data; and (d) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, the "**Transition Responsibilities**"). The Term of this Contract is automatically extended through the end of the Transition Period.

23.4 Contractor Termination Rights.

(a) Contractor may terminate this contract upon 30 days' prior written notice (i) if the State fails to make payments on Accounts as set forth in **Section 17**; (ii) if the State becomes insolvent or (iii) breach by the State of **Section 20**, Confidential Information, or **Section 7 of Schedule C** to the Contract Terms.

(b) Regulatory Suspension and Termination of Accounts. Contractor may immediately suspend or terminate (i) any Account based on any PII submitted to Contractor or if Contractor is unable to verify that providing services to an Account holder does not pose a risk to Contractor of violating any law, statute, or regulation; (ii) this Contract, in whole or in part, upon the State's failure to comply with **Section 11.1 of Schedule C, Exhibit B**; or (iii) this Contract, if Contractor, in its sole discretion, determines the provision of services under this Contract is counter any existing, new, or amended law, regulation, regulatory interpretation, or any enforcement of any existing, new, or amended law, regulation, or regulatory interpretation.

23.5 Survival. **Section 23.3** survives termination or expiration of this Contract.

24. Stop Work Order. The State may, at any time, order the Services of Contractor fully or partially stopped for its own convenience for up to ninety (90) calendar days at no additional cost to the State. The State will provide Contractor a written notice detailing such suspension (a "**Stop Work Order**"). Contractor must comply with the Stop Work Order upon receipt. Within 90 days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate this Contract. The State will not pay for any Services, Contractor's lost profits, or any additional compensation during a stop work period.

25. Representations and Warranties.

25.1 Authority. Contractor represents and warrants to the State that:

(a) It is duly organized, validly existing, and in good standing as a corporation or other entity as represented under this Contract under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;

(b) It has the full right, power, and authority to enter into this Contract, to grant the rights and licenses granted under this Contract, and to perform its contractual obligations;

(c) The execution of this Contract by its Representative has been duly authorized by all necessary organizational action; and

(d) When executed and delivered by Contractor, this Contract will constitute the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms.

25.2 Bid Response. Contractor represents and warrants to the State that:

(a) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Bidder to the Solicitation Type; and no attempt was made by Contractor to induce any other Person to submit or not submit a proposal for the purpose of restricting competition;

(b) All written information furnished to the State by or for Contractor in connection with this Contract, including Contractor's Bid Response, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading;

(c) Contractor is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or

agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract; and

(d) If any of the certifications, representations, or disclosures made in Contractor's Bid Response change after contract award, the Contractor is required to report those changes immediately to the Contract Administrator.

25.3 Software Representations and Warranties. Contractor further represents and warrants to the State that:

(a) it is the legal and beneficial owner of the entire right, title and interest in and to the Software, including all Intellectual Property Rights relating thereto;

(b) it has, and throughout the license term, will retain the unconditional and irrevocable right, power and authority to grant and perform the license hereunder;

(c) the Software, and the State's use thereof, is and throughout the license term will be free and clear of all encumbrances, liens and security interests of any kind;

(d) neither its grant of the license, nor its performance under this Contract does or to its knowledge will at any time:

(i) conflict with or violate any applicable law;

(ii) require the consent, approval or authorization of any governmental or regulatory authority or other Third Party; or

(iii) require the provision of any payment or other consideration to any Third Party;

(e) when used by the State or any Authorized User in accordance with this Contract and the Documentation, the Software or Documentation as delivered or installed by Contractor does not or will not:

(i) infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of any Third Party; or

(ii) fail to comply with any applicable law;

(f) as provided by Contractor, the Software does not or will not at any time during the license term contain any: or

(i) Harmful Code.

(g) all Documentation is and will be complete and accurate in all material respects when provided to the State such that at no time during the license term will the Software have any material undocumented feature; and

(h) it will perform all Services in a timely, skillful, professional and workmanlike manner in accordance with commercially reasonable industry standards and practices for

similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet its obligations under this Contract.

(i) when used in the Operating Environment (or any successor thereto) in accordance with the Documentation, all Software as provided by Contractor, will be fully operable, meet all applicable specifications, and function in all respects, in conformity with this Contract and the Documentation; and

(j) no maintenance release or new version of the Software, when properly installed in accordance with this Contract, will have a material adverse effect on the functionality or operability of the Software.

25.4 State Representations. The State represents to Contractor that:

(a) This Contract constitutes a valid, binding, and enforceable agreement of itself; provided, however, that any changes to this Contract must go through the Contract Change process to be valid and binding upon the State

(b) The execution of this Contract and the performance of its obligations under this Contract are within its powers, has been authorized by all necessary action;

(c) The State will comply with all applicable laws;

(d) The State shall use Accounts, and shall instruct its State employee Account holders to use Accounts solely for the State's governmental purposes;

(e) The State, or any agency or department thereof, has received necessary consents from Account holders prior to providing Contractor with any Account holder PII;

(f) To the best of the State's knowledge, information, and belief, the material information provided by the State to Contractor is true, complete, and accurate; and

(g) The State has obtained all necessary approvals from the State's Administrative Board to execute this Contract.

25.5 Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, CONTRACTOR HEREBY DISCLAIMS ALL WARRANTIES, INCLUDING FITNESS FOR A PARTICULAR PURPOSE AND WARRANTY OF MERCHANTABILITY, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, WITH RESPECT TO THIS CONTRACT.

26. Indemnification

26.1 General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all Third Party actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any material breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any Intellectual Property Right or other right of any Third Party; and (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or

inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

26.2 Indemnification Procedure. The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations. The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel at its own cost and expense; and to (iv) retain control of the defense, at its own cost and expense, if the State deems necessary. Contractor will not, without the State's prior written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 26.2**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

26.3 Infringement Remedies.

(a) The remedies set forth in this **Section 26.3** are in addition to, and not in lieu of, all other remedies that may be available to the State under this Contract or otherwise, including the State's right to be indemnified for such actions.

(b) If any Software or any component thereof, other than State Materials, is found to be infringing or if any use of any Software or any component thereof is enjoined, threatened to be enjoined or otherwise the subject of an infringement claim, Contractor must, at Contractor's sole cost and expense:

- (i) procure for the State the right to continue to use such Software or component thereof (or its substantial equivalent) to the full extent contemplated by this Contract; or
- (ii) modify or replace the materials that infringe or are alleged to infringe ("**Allegedly Infringing Materials**") to make the Software and all of its components non-infringing while providing fully equivalent features and functionality.

(c) If neither of the foregoing is possible notwithstanding Contractor's best efforts, then Contractor may direct the State to cease any use of any materials that have been enjoined or finally adjudicated as infringing, provided that Contractor will:

- (i) refund to the State all amounts paid by the State in respect of such Allegedly Infringing Materials and any other aspects of the Software provided under the Statement of Work for the Allegedly Infringing Materials that the State cannot reasonably use as intended under this Contract; and
- (ii) in any case, at its sole cost and expense, secure the right for the State to continue using the Allegedly Infringing Materials (or the substantial equivalent) for a transition period of up to six (6) months to allow the State to replace the affected features of the Software without disruption.

(d) If Contractor directs the State to cease using any Software, the State may terminate this Contract for cause under **Section 23.1**.

(e) Contractor will have no liability for any claim of infringement arising solely from:

- (i) Contractor's compliance with any designs, specifications, or instructions of the State; or
- (ii) modification of the Software by the State without the prior knowledge and approval of Contractor;

unless the claim arose against the Software independently of any of the above specified actions.

27. Damages Disclaimers and Limitations.

27.1 Disclaimer of Damages. NEITHER PARTY WILL BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.

27.2 Limitation of Liability. EXCEPT FOR CONTRACTOR'S INDEMNIFICATION AND DATA LOSS OBLIGATIONS, IN NO EVENT WILL THE EITHER PARTY'S AGGREGATE LIABILITY TO THE OTHER UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED ONE (1) MILLION DOLLARS.

28. Records Maintenance, Inspection, Examination, and Audit.

28.1 Right of Audit. The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to this Contract through the Term of this Contract and for three (3) years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Financial Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Financial Audit Period, Contractor must retain the records until all issues are resolved.

28.2 Right of Inspection. Within ten (10) calendar days of providing notice, the State and its authorized representatives or designees, may, upon prior written approval of US Bank and subject to US Bank security policies, have the right to enter and inspect Contractor's premises or any other places where Services are being performed, and examine, copy, and audit all records related to this Contract. Alternatively, the State and its authorized representatives or designees may agree to the audit taking place at a neutral, third-party location, as approved by the State, and at Contractor's expense. Contractor must cooperate and provide reasonable assistance. If financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of this Contract must be paid or refunded within forty-five (45) calendar days.

28.3 Application. This **Section 28** applies to Contractor or any Affiliate in its performance of the Services in connection with this Contract.

29. Performance Guarantee. Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request.

30. Insurance

30.1 Required Coverage.

(a) **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. The required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance for those policies where the State is named as additional insured; (b) the Commercial General Liability and Automobile Liability insurance will be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations	Contractor must have their policy endorsed to include "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds
Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	
<u>Minimal Limits:</u> \$1,000,000 Annual Aggregate	Contractor's policy must include coverage for information security and privacy liability, privacy notification costs, and regulatory defense and penalties to the extent permitted by law.
Crime Insurance	
<u>Minimal Limits:</u> \$1,000,000 Employee Theft Annual Aggregate	Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) "the State of

	Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” will be listed on a Loss Submission Form.
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(b) If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

(c) If any of the required policies provide claim-made coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of contract work; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the contract of work; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

(d) Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 30 business days if the Commercial General Liability, Automobile Liability or Workers Compensation insurance is cancelled; and (d) waive all rights against the State for damages covered by the Commercial General Liability, Automobile or Workers Compensation insurance policies. Failure to maintain the required insurance does not limit this waiver.

30.2 Non-waiver. This **Section 30** is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

31. Dispute Resolution.

31.1 Unless otherwise specified in this Contract, the Statement of Work or the U.S. Bank United States Commercial Account Agreement, the parties will endeavor to resolve any Contract dispute in accordance with **Section 31** (the “**Dispute Resolution Procedure**”). The initiating party will reduce its description of the dispute to writing (including all supporting documentation) and deliver it to the responding party’s Program Manager. The responding party’s Program Manager must respond in writing within five (5) Business Days. The initiating party has five (5) Business Days to review the response. If after such review resolution cannot be reached, both parties will have an additional five (5) Business Days to negotiate in good faith to resolve the dispute. If the dispute cannot be resolved within a total of fifteen (15) Business Days, the parties must submit the dispute to the parties’ Contract Administrators. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

31.2 Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties’ Contract Administrators, and either Contract Administrator concludes that resolution is unlikely, or fails to respond within fifteen (15) Business Days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations

period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This **Section 31** does not limit the either party's right to terminate this Contract.

32. General Provisions

32.1 Force Majeure.

(a) Force Majeure Events. Subject to Subsection (b) below and except for the State's obligation to pay all USCAA Obligations, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached this Contract, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of this Contract, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition (each of the foregoing, a "**Force Majeure Event**"), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

(b) Termination. In the event of a Force Majeure Event affecting performance under this Contract, either party may suspend its performance. Either party may terminate this Contract by written notice to the non-terminating party if a Force Majeure Event affecting Contractor's performance hereunder continues substantially uninterrupted for a period of thirty (30) Business Days or more. Unless either party terminates this Contract pursuant to the preceding sentence, any date specifically designated for performance under this Contract will automatically be extended for a period up to the duration of the Force Majeure Event.

32.2 Further Assurances. Each party will, upon the reasonable request of the other party, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Contract.

32.3 Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Contract is to be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party has authority to contract for or bind the other party in any manner whatsoever.

32.4 Media Releases. News releases (including promotional literature and commercial advertisements) pertaining to this Contract or project to which it relates must not be made without the prior written approval of the State, and then only in accordance with the explicit written instructions of the State.

32.5 Notices. All notices, requests, consents, claims, demands, waivers and other communications under this Contract must be in writing and addressed to the parties as follows (or as otherwise specified by a party in a notice given in accordance with this **Section 32.5**):

If to Contractor: U.S. Bank National Association
Corporate Payment Systems

Mail Code EP-MN-A17S
901 Marquette Ave., Suite 1800
Minneapolis, MN 55402
Attn: CPS Contracts Manager

If to State: DTMB – Central Procurement, Constitution Hall
525 W Allegan St, Lansing, MI 48933
Email: nakfoorj@michigan.gov
Attention: Joy Nakfoor, Category Specialist

Notices sent in accordance with this **Section 32.5** will be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); or (c) on the fifth (5th) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. For the avoidance of doubt, copies of notices sent in accordance with this **Section 32.5** may be sent via e-mail; provided that notice is also sent through one of the foregoing means of delivery.

32.6 Headings. The headings in this Contract are for reference only and do not affect the interpretation of this Contract.

32.7 Assignment. Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the State's prior written consent. The State has the right to terminate this Contract pursuant to **Section 23.1** if Contractor delegates or otherwise transfers any of its obligations or performance hereunder, whether voluntarily, involuntarily, by operation of law or otherwise, and no such delegation or other transfer will relieve Contractor of any of such obligations or performance. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or performance under this Contract for which the State's prior written consent is required. Any purported assignment, delegation, or transfer in violation of this **Section 32.7** is void.

32.8 No Third-party Beneficiaries. This Contract is for the sole benefit of the parties and their respective successors and permitted assigns. Nothing herein, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Contract.

32.9 Amendment and Modification; Waiver. No amendment to or modification of this Contract is effective unless it is in writing, identified as an amendment to this Contract and signed by both parties Contract Administrator. Further, certain amendments to this Contract may require State Administrative Board Approval. No waiver by any party of any of the provisions of this Contract will be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Contract, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Contract will operate or be construed as a waiver. Nor will any single or partial exercise of any right, remedy, power or privilege under this Contract preclude the exercise of any other right, remedy, power or privilege.

32.10 Severability. If any term or provision of this Contract is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or

provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto will negotiate in good faith to modify this Contract so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

32.11 Governing law. This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or forum non conveniens. Contractor must appoint agents in Michigan to receive service of process.

32.12 Equitable Relief. As related to Intellectual Property or Confidential Information, each party to this Contract acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Contract may give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto is, in addition to any and all other rights and remedies that may be available to such party at law, at equity or otherwise in respect of such breach, entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this Contract agrees that such party will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this **Section 32.12**.

32.13 Nondiscrimination. Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its Permitted Subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

32.14 Unfair Labor Practice. Under MCL 423.324, the State may void any Contract with a Contractor or Permitted Subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

32.15 Schedules All Schedules that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work
Schedule B	Pricing Matrix

Schedule C	U.S. Bank Commercial Account Agreement and Terms and Conditions
Schedule D	Data Security Requirements
Schedule E	Disaster Recovery Plan
Schedule F	PCard SIGMA File Structure
Schedule G	Interface Internal Exchange Transaction Document (IET9)

32.16 Counterparts. This Contract may be executed in counterparts, each of which will be deemed an original, but all of which together are deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Contract. A signed copy of this Contract delivered by facsimile, e-mail or other means of electronic transmission (to which a signed copy is attached) is deemed to have the same legal effect as delivery of an original signed copy of this Contract.

32.17 Effect of Contractor Bankruptcy. All rights and licenses granted by Contractor under this Contract are and will be deemed to be rights and licenses to “intellectual property,” and all Software and Deliverables are and will be deemed to be “embodiments” of “intellectual property,” for purposes of, and as such terms are used in and interpreted under, Section 365(n) of the United States Bankruptcy Code (the “**Code**”). If Contractor or its estate becomes subject to any bankruptcy or similar proceeding, the State retains and has the right to fully exercise all rights, licenses, elections, and protections under this Contract, the Code and all other applicable bankruptcy, insolvency, and similar laws with respect to all Software and other Deliverables. Without limiting the generality of the foregoing, Contractor acknowledges and agrees that, if Contractor or its estate shall become subject to any bankruptcy or similar proceeding:

(a) all rights and licenses granted to the State under this Contract will continue subject to the terms and conditions of this Contract, and will not be affected, even by Contractor’s rejection of this Contract; and

(b) the State will be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property comprising or relating to any Software or other Deliverables, and the same, if not already in the State’s possession, will be promptly delivered to the State, unless Contractor elects to and does in fact continue to perform all of its obligations under this Contract.

32.18 Compliance with laws. Contractor and its Representatives must comply with all applicable laws in connection with this Contract.

32.19 Non-Exclusivity. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Services from other sources; however, the State agrees Contractor will be the primary provider of the P-Card Services for the State and its agencies under this Contract and the Statement of Work.

32.20 Disclosure of Litigation, or Other Proceeding. Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract. Contractor's compliance with regulatory requirements related to public disclosures shall be deemed compliant with this Section.

32.21 Conflicts and Ethics. Contractor will uphold high ethical standards and is prohibited from: (a) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (b) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (c) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

32.22 Website Incorporation. The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.

32.23 Entire Agreement. This Contract, together with all Schedules, Exhibits, and the Statement of Work constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the body of this Contract, the Schedules, Exhibits, and the Statement of Work, the following order of precedence governs: (a) first, this Contract, excluding its Exhibits and Schedules, and the Statement of Work; and (b) second, the Statement of Work as of the Effective Date; and (c) third, the Exhibits and Schedules to this Contract as of the Effective Date. NO TERMS ON CONTRACTORS INVOICES, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE SERVICES, OR DOCUMENTATION HEREUNDER WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF SUCH SERVICE OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

STATE OF MICHIGAN

SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES

BACKGROUND

The State's Procurement Card Program (PCard) serves the executive, legislative, and judicial branches of government, which is divided into 23 departments or agencies. The program provides the ability to make purchases with up to a \$5,000.00 single transaction limit.

The Statewide PCard Administrator provides program support and direction to all State Departments. Each Department has its own Department PCard Administrator with oversight responsibility.

The Department of Technology, Management, and Budget (DTMB) is responsible for payments to the Contractor for all charges in the program.

SCOPE

The Contractor must provide the State a highly accepted card program that will facilitate the ability to make purchases using a no fee, no cost, revenue sharing PCard Program, according to the specifications listed in the Contract. The Contract activities/transition will start on November 1, 2020, the Go-Live date will be determined within 30 days after execution of contract and development of the project work plan, but no longer than six (6) months after the start date.

REQUIREMENTS

1. General Requirements

1.1 Acceptance of Types of Cards

The State will use MasterCard at locations worldwide, but most frequently in the upper and lower peninsulas of Michigan. If Visa cards are required, they can be provided, however the value of transactions will not be counted towards the annual rebate value.

The State will be utilizing the option of MasterCard at locations worldwide, but most frequently in the upper and lower peninsulas of Michigan.

1.2 Controls/Restrictions

- a. Contractor must have the capability of issuing PCards with at least the following controls and the ability to modify these limits on accounts in real time:
 1. Spend limit per transaction
 2. Spend limit per cycle
 3. Vendor/merchant category type restrictions
 4. Prohibit cash advances
- b. Additional controls available to the State include:
 1. Velocity Monitoring
 2. Cardholder Single-Purchase Limit
 3. Cardholder Monthly Spending Limit
 4. Pre-Determined Expiration Dates
 5. Declining Balance Capabilities
 6. Account Maintenance Effective Dating (temporary and future adjustments)

1.3 Customer Service

- a. As soon as the cardholder is aware of the stolen or missing card, the cardholder must call the Customer Service Center domestically or the Mastercard Assistance Center

internationally to report a card lost or stolen and request emergency replacement. There are no replacement fees for delivery of the card replacement and neither the State nor the cardholder is responsible for fraudulent charges made to the promptly reported lost or stolen card. If expedited delivery cards are ordered before 2 p.m. CST, they will be processed and shipped the same day. For standard delivery, cards will be produced the next day and shipped the day after. When a card is replaced because of a lost or stolen situation, it retains the original expiration date.

- b. The Contractor must have an in-house customer service help desk available 24 hour a day, 7 days a week, 365 days per year.
- c. The Contractor must have a PCard service assistance back-up system if the 24-hour customer service help line is down.

1.4 E-commerce

The State utilizes an ERP solution through CGI called Statewide Integrated Governmental Management Applications (SIGMA). Contractor's solution must have the capability to interface with this system.

2. Liability

Liability related to PCards includes monitoring unauthorized use, fraud, insurance, and auditing reports.

- a. The State must only be liable for the use of credit cards by authorized users provided that the use is within the cycle, single transaction limits are established for the specific account, and the Merchant's Category Code is included in the cardholder's profile.
- b. Coverage for the following types of PCard occurrences, per transaction, and as an aggregate, must be provided:
 - 1. Lost/Stolen Cards
 - 2. Third-party data compromised accounts
 - 3. Counterfeit Cards
 - 4. Skimmed Cards
 - 5. Unauthorized purchase
 - 6. Merchant Disputes
 - 7. Theft of goods purchased
 - 8. Any additional items not listed above
- c. The Contractor's financial institution must actively screen transaction activity for fraud patterns.
- d. The Contractor must have a process for communicating potential fraud with cardholders and administrators.
- e. The Contractor must provide a copy of each SOC 1 SSAE 18 Report, or its equivalent, to the Contract Administrator within ten (10) days or written request.
- f. The Contractor must uphold its standards of liability for unauthorized charges resulting from a lost or stolen card.

3. Promotional Materials

The selling of lists containing the names and any other information of cardholders is absolutely prohibited.

4. Database Technology

The Contractor's cardholder master file must contain, at a minimum, the following information:

1. Cardholder name
 2. Second line of embossing
 3. Account address
 4. Phone number
 5. Single transaction limit
 6. Cycle spending limit
 7. Merchant category code/Profile
 8. Last Date Used
 9. Expiration date
 10. Status
 11. Alpha/numeric accounting codes
 12. Agency/Office Identifier
 13. Employee ID
 14. Other fields
- a. Upgrades/Advanced Technology: The Contractor must make future upgrades in its systems and processes to reflect advancements in technology, hardware, and software at no cost to the State and no reduction in revenue sharing. All such upgrades must be announced in advance of any change. The State must be provided yearly with an annual maintenance schedule and be notified within 24 hours of any unscheduled maintenance. Exceptions to the 24 hours notification are for implementation of emergency/high priority fixes or patches. In these cases, the Contractor will provide as much notification as possible.
- b. Financial System Integrations: Contractor will provide standard financial extracts, general ledger extracts, accounting code structure and length, system capability to separate transactions into multiple account coding structures, and account code modifications to a transaction or account holder output formats, transmission, allocation rules engine, accounting code validation, reallocation tools, and client system validation in accordance with the State's needs.
- c. Technical Support: The Contractor must provide on-going technical support related to program performance, data integrity, interface file processing, transaction approval or disputing, report creation, or query functionality. The Contractor's Technical Help Desk is staffed 24 hours per day, 7 days per week. Program Administrators can call 877-452-8083, email accessonlinesupport@usbank.com, or use the online chat function.
- d. Archiving and Retrieval: The Contractor must have data archiving and retrieval capabilities (all data obtained pertaining to the State is the sole property of the State).
- e. The Contractor must comply with Section 508 of the Rehabilitation Act of 1973, 29 U.S.C requiring disabled persons to have access to the features of IT equipment and programs.
- f. The Contractor's system must have a way of identifying potential split transactions to avoid the established single transaction limit set for a card.

- g. The Contractor's system must allow assignment of Merchant Category Code (MCC) groups to cardholders in real time.
- h. The Contractor must have the ability to assign chart of account code(s) to a transaction.
- i. The Contractor's system must not allow the use of accounting codes that have not been established in the Contractor's system.
- j. The Contractor's system must allow for modifying account coding assigned to a transaction or an account holder in real time.
- k. The Contractor's system must allow for a single transaction to be assigned multiple funding sources.
- l. The Contractor must prevent a user from altering account allocation that allows transactions to save if the transaction is out of balance, (i.e. purchase amount does not equal the allocated amount).
- m. The Contractor must be able to provide mass updates to the accounting structure, cardholder account coding, spend limits, and billing address.
- n. The Contractor's system must allow an administrator to create or delete organizational hierarchies and assign or move Cardholders and all historical transaction data for that Cardholder to a location within the hierarchy. Program Administrators can assign or move cardholders, however system functionality requires all historical data to transfer the day after cycle. For reconciliation purposes, the request for reassignment or moving of cardholders will be pended until the day after cycle and movement will be completed at that time.
- o. The Contractor's system must limit access to users by hierarchy levels.
- p. The Contractor must allow the State's Program Administrator(s) the ability to create, modify, reorder, or close PCard accounts in real time.
- q. The Contractor must provide the State different access roles in its system.
- r. The Contractor must allow the State's administrators to have the capability to increase/decrease transaction and cycle limits electronically in real time.
- s. The Contractor must allow the State the ability to update cardholder accounts including address and/or name and reissue a card automatically for any changes that affect the appearance of the card.
- t. The Contractor must allow the State the ability to dispute transactions and track the dispute status electronically.
- u. The Contractor must allow the State the ability to monitor authorizations/declines in real time.
- v. The Contractor must allow the State the ability to check current balances on accounts in real time.

- w. The Contractor must have the capability to receive, process, and report on Level I, II, and III data.
- x. The Contractor must have the capability to provide mass updates for chart of account information, billing address, spend limits, and hierarchical changes.
- y. Contractor's system must have an audit function to identify a user who made changes to cardholder or transaction information.
- z. Contractor's system must have ability for transactions to have a comment section that is available on reports.
- aa. Any associated costs with additional services, must be included in **Schedule B - Pricing Matrix**.

1. IT Specific Standards

5.1 IT Policies, Standards and Procedures (PSP)

The Contractor is advised that the State has methods, policies, standards and procedures that have been developed over the years. The Contractor is expected to conform to State IT policies and standards. Contractor is required to review all applicable links provided below.

Public IT Policies, Standards and Procedures (PSP): http://www.michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html

Note: Not all applicable PSP's are available publicly. Controlled PSP's applicable to the contract are available after signing and returning to the State the required Nondisclosure Agreement (NDA) agreement.

a. Secure Web Application Standard

Contractor's solution must meet the State's Secure Application Development Standards as mandated by the State.

b. Secure Application Development Life Cycle (SADLC)

Contractor is required to meet the States Secure Application Development Life Cycle requirements that include:

i. Security Accreditation

Contractor is required to complete the State Security Accreditation process for the solution.

ii. Application Scanning – Externally hosted solutions

Contractor is required to grant the right to the State to scan either the application code or a deployed version of the solution; or in lieu of the State performing a scan, Contractor will provide the State a redacted penetration test summary after Contractor has used a State approved or industry accepted application scanning tool. A redacted penetration test report of the scans must be completed and provided to the State upon written request from the State or during a due diligence review to occur no more than once a year.

For COTS or vendor owned applications, Contractor, at its sole expense, must provide resources to complete the scanning and to complete the analysis, remediation and validation of vulnerabilities identified by the scan as required by the State Secure Web Application Standards.

Types of scanning and remediation may include the following types of scans and activities:

- Dynamic Scanning for vulnerabilities, analysis, remediation and validation
- Static Scanning for vulnerabilities, analysis, remediation and validation
- Third Party and/or Open Source Scanning for vulnerabilities, analysis, remediation and validation

iii. Infrastructure Scanning – Externally hosted solutions

A Contractor providing Hosted Services must scan the infrastructure at least once every 30 days.

c. Acceptable Use Policy

To the extent that Contractor has access to the State’s computer system, Contractor must comply with the State’s Acceptable Use Policy, see http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html. All Contractor Personnel will be required, in writing, to agree to the State’s Acceptable Use Policy before accessing the State’s system. The State reserves the right to terminate Contractor’s access to the State’s system if a violation occurs.

d. ADA Compliance

The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. The State is requiring that Contractor’s solution, where relevant, to level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0. Contractor may consider, where relevant, the W3C’s Guidance on Applying WCAG 2.0 to Non-Web Information and Communications Technologies (WCAG2ICT) for non-web software and content. The State may require that Contractor complete a Voluntary Product Accessibility Template for WCAG 2.0 (WCAG 2.0 VPAT) or other comparable document for the proposed Solution. http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621.

5.2 User Type and Capacity

Type of User	Access Type	Number of Users	Number of Concurrent Users
Statewide Administrators	All Access	7	7
Department Administrators	Department Access	30	30
Auditors	View only	5	5
Accountants/reconcilers	Account code changers for a branch of the hierarchy	120	120
Cardholders	Account code changes/Dispute entry	4000	4000

Contractor must be able to meet and support the expected number of concurrent Users.
Contractor's solution must be able to scale up or down without affecting performance.

5.3 Access Control and Audit

The Solution must support multi-factor authentication for privileged/administrative access.

The audit logs for Contractor's system must be in a human readable format.

5.4 Security

a. Externally Hosted

The Solution will be storing sensitive State data. Contractor, at a minimum, agrees to the terms in **Schedule D – Data Security Requirements**.

Contractor must comply with the following:

- i. Must remain compliant with the Center for Medicare and Medicaid Services (CMS) Policies.
- ii. Must sign the FBI Criminal Justice Information Services (CJIS) Security Addendum and maintain compliance with such document.
- iii. Must remain compliant with the Internal Revenue Service (IRS) Policies.
- iv. Must remain compliant with the Health Insurance Portability and Accountability Act (HIPAA) Policies.
- v. Must provide its standard business associate agreement (BAA).
- vi. Must remain compliant with the Family Educational Rights and Privacy Act (FERPA) Policies.
- vii. Must remain compliant with the Credit Card Holder information (PCI) Policies.
- viii. Must provide a GovCloud Solution that is hosted in a FedRAMP certified facility.
- ix. Must provide a GovCloud Solution and maintain an annual SSAE 16 SOC 2 Type 2 audit for the Solution.
- x. Must be encrypted in transit and at rest using AES 256 bit or higher encryption modules.
- xi. Must be encrypted in transit and at rest using currently certified encryption modules in accordance with FIPS PUB 140-2 (as amended), Security Requirements for Cryptographic Modules.
- xii. Must have multi-factor authentication, requiring a hard token.
- xiii. Must remain compliant with FISMA and the NIST Special Publication 800.53 (most recent version) HIGH controls using minimum control values as established in the applicable PSP.
- xiv. Must have multi-factor authentication for privileged/administrative access, however this level does not require a hard token at this time. Some other method such as SMMS text with passcode, phone call with temporary passcode or other approved multi-factor authentication method must be used.
- xv. Must remain compliant with FISMA and the NIST Special Publication 800.53 (most recent version) MOD controls using minimum control values as established in the applicable PSP.

5.5 End User Operation Environment

The SOM environment is X86 VMware, IBM Power VM and Oracle VM, with supporting enterprise storage monitoring and management.

The software must run under commonly used web browsers. At a minimum the software must support Internet Explorer v11 or higher, or Edge, Chrome v71 or higher, Firefox v62 or higher, and Safari v12 or higher for iOS operating systems.

Contractor must support the current and future State standard environment at no additional cost to the State.

5.6 User Agreement

Contractor's User Agreement is provided as **Schedule C – U.S. Bank Commercial Account Agreement and Terms and Conditions**, which includes full use of the Solution by the State's Authorized Users, with no separate end-user agreement required.

5.7 Externally Hosted

Contractor must provide the State its standard Service Level Agreement (SLA) as attachment **Schedule C – Service Level Agreement**.

Contractor must maintain and operate a backup and disaster recovery plan to achieve a Recovery Time Objective (RTO) for Access Online of 24 hours with a 16-hour Recovery Point Objective (RPO). TSYS has a 48-hour Recovery Time Objective (RTO) with a 24-hour Recovery Point Objective (RPO). Contractor's **Schedule E – Disaster Recovery Plan** is treated by the State as confidential information.

Contractor must include its standard Service Level Agreement (SLA).

5.8 Technical Support and Operations

The externally hosted solution requires the Contractor to provide Technical Support Hours at least between 8:00 am – 5:00 pm. The Contractor's Technical Help Desk is staffed 24/7 for Program Administrators at 877.452.8083 or via email at accessonlinesupport@usbank.com and via online chat.

5.9 SUITE Documentation

In managing its obligation to meet the above milestones and deliverables, the Contractor is required to utilize the applicable State Unified Information Technology Environment (SUITE) methodologies, or an equivalent methodology proposed by the Contractor. The Contractor is required to review <http://www.michigan.gov/suite> and demonstrate how each Project Management Methodology (PMM)/ Systems Engineering Methodology (SEM) requirement will be met. Contractors wishing to use their own documents must submit an example of the document that will be substituted. If the Contractor deems a document to be non-applicable, please provide reasons for the determination. The State reserves the right to give final approval of substituted documents and items marked as non-applicable.

SUITE's primary goal is the delivery of on-time, on-budget, quality systems that meet customer expectations. SUITE is based on industry best practices, including those identified in the Project Management Institute's PMBoK and the Capability Maturity Model Integration for Development. It was designed and implemented to standardize methodologies, processes, procedures, training, and tools for project management and systems development lifecycle management. It offers guidance for efficient, effective improvement across multiple process disciplines in the organization, improvements to best practices incorporated from earlier models, and a common, integrated vision of improvement for all project and system related elements.

While applying the SUITE framework through its methodologies is required, SUITE was not designed to add layers of complexity to project execution. There must be no additional costs from the Contractor, since it is expected that they are already following industry best practices which are at least similar to those that form SUITE's foundation.

SUITE's companion templates are used to document project progress or deliverables. In some cases, Contractors may have in place their own set of templates for similar use. Because SUITE can be tailored to fit specific projects, project teams and State project managers may decide to use the Contractor's provided templates, as long as they demonstrate fulfillment of the SUITE methodologies.

See the following links for further information:

- <https://www.irs.gov/privacy-disclosure/additional-requirements-for-publication-1075>
- <https://www.irs.gov/pub/irs-pdf/p1075.pdf>

6. Emergency Preparedness

Contractor must have a Disaster Recovery Plan in place for the duration of the Contract. An acceptable Disaster Recovery process must include considerations and resolutions in the event of a major disaster that disables most or all of the Contractor's processing capabilities for the State and anticipated time frames to restore normal operations once the disaster situation has been resolved.

A major disaster includes, but is not limited to:

1. A hardware system failure/collapse;
2. A software system failure/collapse;
3. Any natural disaster; and/or
4. Total loss of electrical/backup power.
5. Communication with staff and suppliers if primary communications systems are overloaded or otherwise fail

7. Training

The State requires Contractor to provide a variety of training options to meet the needs of the State.

- a. Contractor must assist the State in the development of a training program and provide materials and assistance to inform the departments and individuals participating in the State's PCard Program.
- b. The Contractor must provide training for the Department Program Administrators.
 - i. On-site training will be offered for approximately 40 Program Administrators.
 - ii. Other training resources available to Program Administrators includes interactive content, written documentation, recorded classes, and live instructor-led virtual training.
 - iii. Ongoing training includes recorded calls, web-based training, documentation, and virtual instructor-led training.
 - iv. Training required for other knowledge gaps will be coordinated between the State's Project Manager (PM) and the Contractor.
- c. The Contractor will provide written system documentation in the form of downloadable and printable online tutorials and user guides for training purposes.
- d. The Contractor must provide online training modules.
 - i. The Contractor's system must have the ability to tailor training modules specific to the State of Michigan.
 - ii. The Contractor's system must have the ability to monitor and report on employee training, if the employee becomes training certified.
 - iii. The Contractor must provide training based on user access roles.

8. Rebates

The State requires the best possible rebates, given the anticipated amount of PCard volume over the life of the contract.

- a. The Contractor's rebate or revenue sharing must be provided based on the total aggregated volume of all contract users for the PCard according to the schedule found in **Schedule B - Pricing Matrix**.

- b. All agencies and entities utilizing the program will receive rebate or revenue sharing directly. The Contractor will submit the rebate or revenue sharing check for each card program, along with the statistical spend date for the preceding year, to the specific agency or institutions (the State as a whole and each participating MiDEAL member individually).
- c. The State will receive a composite report of all entities spend.

9. Card Processes and Specifications:

9.1 Issuance

The State will issue PCards throughout the contract. Some issuances will be in mass quantities while others will be small quantities or one-offs. Contractor must be able to handle all variations.

- a. The process to open and maintain accounts will vary based on the timing of the need.
 - i. Initial implementation: The State submits a data file to Contractor of all employees authorized to receive a card. The card order takes approximately six (6) business days to process, after which the Contractor mails all cards to the Program Manager.
 - ii. Ongoing issuance: PM or other Program Administrators can submit an application through Access Online, send via fax or email to Account Coordinator, or upload requests in Access Online to process through a batch file.
 - iii. If expedited delivery cards are ordered before 2 p.m. CST, they will be processed and shipped the same day. For standard delivery, cards will be produced the next day and shipped the day after.
- b. The Contractor must deliver all cards to the State in three (3) business days or less.
- c. Contractor must have express delivery for new, replacement and/or reissuance of cards.
 - i. If expedited delivery cards are ordered before 2 p.m. CST, they will be processed and shipped the same day.
 - ii. All cards issued must require cardholder activation upon receipt and must not be mailed "live".
- d. Cards provided by the contract allow for chip and signature. Contractor can provide additional security with PIN if requested by the State.

9.2 Replacement

The Contractor must have a policy for reporting lost or stolen cards.

- a. For lost or stolen cards domestically, the cardholder must call the Customer Service Center.
- b. For lost or stolen cards internationally, the cardholder must call the Mastercard Assistance Center.

9.3. Cancellation

The State must not be liable for charges incurred after verbal or written notice to the Contractor to cancel a card. As part of its procedures, the State will recover credit cards whenever possible from employees upon retirement, discharge, or resignation.

Cards may be cancelled in the following ways:

- a. PMs log into Access Online to close the account
- b. PMs contact their Account Coordinator by phone, fax or email

In the case of cardholder accounts, the PM may temporarily suspend or permanently close an account and reopen a temporarily closed account via Access Online. Note that reopen requests may go through a Credit Department review, only if one was originally required.

Reoccurring payments will still go through on the card, even when it is closed. The client is responsible for updating all reoccurring payments.

The Contractor must have account suspension and cancellation policies and procedures.

9.4 Card Format Design

The State requires card customization for a variety of needs and the Contractor must provide customized cards according to the State's specifications.

- a. The following data, at a minimum, is required on the card:
 - i. State of Michigan
 - ii. Phrase: "For Official Use Only – Tax Exempt"
 - iii. A logo provided by the State upon award
 - iv. Cardholder Name
 - v. Agency Name
 - vi. The Contractor's free "help" telephone number printed on the reverse side of the card
- b. The Contractor must provide at least three (3) different colors for cards so the State can easily distinguish different types/requirements of each. In addition, the State requires the ability to order cards with no distinctive governmental affiliation.
- c. Any additional products that are offered to the State to distinguish different types of cards that the State may use that were not covered in any of the above requirement along with any associated costs are listed in **Schedule B - Pricing Matrix**.

10. Program Enhancements:

10.1 Products and Services

- a. The Contractor must also offer the following products or services, liability, product development capabilities, etc.
- b. Travel Card
- c. Ghost Account
- d. Electronic Payables

10.2 Multiple Programs

The Contractor must have the capability to provide the State several "companies" for related, but separate, State programs. These programs will be tied overall to the primary program but can function separately with individual billing cycles.

10.3 Industry Commitment

Contractor must have an ongoing commitment to the commercial purchasing card industry (e.g., product innovation, system investment, trade association involvement).

11. Reports

The Contractor must provide reports in a variety of formats to the Program Manager. The Contractor must have the ability to provide to the State a cardholder transaction detail cycle report. The Contractor must also have the ability to provide customized reports.

- a. The Contractor's system must have the capability to provide a PCard transaction report.
- b. The Contractor's system must have the capability for the State to perform ad hoc queries on the Contractor's database.
- c. The Contractor's system must have the capability for the State to schedule reports to run at specific intervals without recreating the report each time.
- d. The Contractor's system must have the capability to produce reports related to auditing changes to the program, card status, card declines, cardholder information, system access, transaction detail (including level 3 data), air travel activity, and hierarchy information.
- e. The Contractor's system must have the capability for using filters on the queries to customize the data produced.
- f. The Contractor's system must have the ability for a user to create a report and share it with other users.
- g. The Contractor's system must have the ability to create a standard report that identifies transactions that were potentially split to circumvent limits by the same or different cardholders.
- h. The Contractor's system must have the capability to add one or more signature lines on a report. The State requires cardholders and supervisor to sign and date each transaction detail report.
- i. The Contractor's system must have a report which shows all cards expiration dates.
- j. The Contractor's system must provide at least the below, primary standard reports for commercial card management:
 - i. New Accounts
 - ii. Account status including active, new, closed, inactive, suspended, lost/stolen
 - iii. Card maintenance, audit trail for changes
 - iv. Merchant Category Code (MCC) Groups
 - v. Cardholder account status, limits, MCC Groups, employee contact information, etc.
 - vi. MCC Groups with cardholder accounts
 - vii. Spend volume reports (Daily, monthly, yearly, cycle period, specific date range)
 - viii. Dispute and fraudulent transactions
 - ix. Spend by vendor
 - x. Cards with no use
 - xi. Cards with low use

- xii. Users and their accesses
- xiii. Hierarchy
- xiv. Declined transactions including reason for the decline
- xv. Air travel activity including traveler, flight origin and flight destination

12. Additional Information

Any additional products or services and the associated costs that may be offered to the State that were not included in the above requirements are listed in **Schedule B - Pricing Matrix**.

13. SIGMA File Information

13.1 Data File Structure

The file format that is required by SIGMA is a Comma Separated Value (CSV) format, which will process through the Unprocessed PCard Load Job. This job has one separate attribute list that provides data elements available for upload to SIGMA. This attribute list is broken into Header level records where the Header contains PCard detail and vendor sales level details at the sale summary level. **Schedule F – PCard SIGMA File Structure** provides the attribute lists of available data elements which will be discussed in greater detail in the following sections.

13.2 File Transfer Process from PCard Contractor to SIGMA

A secure login will be provided to the Contractor as well as the address of a specific Mailbox ID to be used on the FTS server to which the PCard transaction file must be sent. All inbound files must be received daily before 3:00 p.m. EST. and must only include one bank posting date per file. Should a third party/subcontractor issue, outside the control of Contractor, impact the inbound files delivery, Contractor will ensure the State's inbound files are delivered with top priority. The files naming convention for file(s) need to start with PFIN_CSB_PCARD and end with .txt.

Example of file naming convention: PFIN_CSV_PCARD_20180706_48733433c.txt

After the PCard file is sent to FTS, an excel file needs to be sent, for reconciliation purposes, to
DTMB-FS-StatewidePCard@michigan.gov.

13.3 PCard File Testing

- a. Prior to implementation, the Contractor will need to complete a CSV layout of a test file(s) that contains the required Header fields completed. Since the state receives PCard information at the summary level, the file is expected to successfully load with the above information and must create records on SIGMA's PRCUU table. Testing data will need coordination between the DTMB Financial Services and the Contractor.
- b. The Contractor must write an automated interface program to support the upload of procurement card transactions into the SIGMA financial system used by Michigan.
 - i. The interface file must meet the specifications stated in **Schedule G – Interface Internal Exchange Transaction Document (IET9)**. The interface file format requirements are fixed and are non-negotiable. Failure to provide a viable interface by a date agreed upon by the Contractor and State may result in cancellation of the Contract.
 - ii. Contractor must also provide an application that includes the ability for agency users to access specific cardholder transactions for update prior to the close of each PCard cycle. All chart of account (COA) elements and inferences provided in the attached interface specifications must be available in the application for default accounting distribution and for update at the transaction detail level. Security must be in place at the agency and cardholder level to

make COA updates to transaction detail including the ability to split transaction amounts into multiple coding lines.

14. Staffing

14.1 Contractor Staff, Roles, and Responsibilities

The Contractor must appoint an individual who will be directly responsible for the day-to-day operations of the Contract (“Key Personnel”). Key Personnel must be specifically assigned to the State account and be knowledgeable on the contractual requirements.

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State’s PM, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel’s employment. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an “Unauthorized Removal Credit”):

- a. For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$12,500.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel’s removal.

Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State’s option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

The Contractor must complete the roles and responsibilities table that outlines all the anticipated key personnel roles, including those of expected Subcontractors integration partners, indicating the responsibilities and overall time commitments for this project. One person may fulfill multiple roles. Descriptions of roles must be functional and not just by title.

Role	Personnel Assigned
Single Point of Contact (Key Personnel)	Samy Kayser – Relationship Manager
Project Manager (Key Personnel)	Michael Bornhorst
Trainer	Melody Amborn

Configuration Lead (Interface)	Traci Miner Samantha Maddox
Account Coordinator Team	Emilee Steinbauer
Subcontractor Integration Partners	
Mastercard	TSYS

Note: A PM must be identified from the Contractor who can plan, organize, coordinate, monitor, and guide the Contracting team and converse with their counterpart in the State and escalate issues of respondent organization for resolution.

14.2 Contractor Representative

The Contractor must appoint 1 individual, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the “Contractor Representative”).

The Contractor must notify the Contract Administrator at least 30 calendar days before removing or assigning a new Contractor Representative.

The Contractor Representative assigned to this Contract is:

Samy Kayser, Relationship Manager
612-436-6553
Samyukta.kayser@usbank.com

14.3 Customer Service Toll-Free Number

The Contractor’s toll-free number for the State to make contact with the Contractor Representative is 800-344-5696. The Contractor Representative must be available for calls during the hours of 8 am to 5 pm EST Monday - Friday.

14.4 Technical Support, Repairs and Maintenance

The Contractor must specify its toll-free number for the State to make contact with the Contractor for technical support, repairs and maintenance. The Contractor must be available for calls and service 24 hours per day, 7 days per week.

14.5 Disclosure of Subcontractors

The following Subcontractors will be utilized on this Contract:

Total Systems Services, Inc. (TSYS®)
1 TSYS Way
Columbus, GA 31901-4222
Phone: 844.ONE.TSYS or 844.663.8797

Mastercard
2000 Purchase Street
Purchase, New York 10577

15. Project Management

15.1 Project Plan Management

The Project Plan management is based on both file transfer and interface capabilities starting from the award of the Contract. A workplan transition plan must be established and agreed to by the Contractor and State within 30 days of the start of the contract. Key elements of the plans include, but are not limited to:

1. Support resources
 2. Card issuance
 3. Administrator access training
 4. Hierarchy creation
 5. Chart of accounts creation (for interface plan only)
 6. File transfer creation and testing
 7. Timelines
 8. Proposed completion dates
 9. Creation of standard reports
- a. Implementation Plan - Contractor must provide a plan for the integration of the proposed PCard program with the State accounting system, including the data elements transmitted between systems. A detailed list of all functions and access available to the State's PCard Administrator must be included in the plan. The State requires three successive successful tests of the file transfer to allow it to be approved. Failure to provide a viable file transfer by a date agreed upon by the Contractor and State may result in cancellation of the Contract.
 - b. Transition Plan – Continuity of services and minimal interruption to business operations is imperative to the State for both Transition In at the beginning of the contract and Transition Out at the end of the contract term. Plans for each must be agreed upon with the State.
 - c. The Contractor must provide two project work plans detailing steps, responsibilities and performance dates for each step of the implementation.

15.2 Meetings

The State may request meetings, as it deems appropriate.

16. Invoice and Payment

16.1 Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) delivery order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) contract number; and (g) total price.

16.2 Billing and Payment Methods

The State will make payment for Contract Activities via EFT or wire transfer.

The State will receive an electronic statement at the end of the State's billing cycle and shall pay Contractor the amount due as directed on the statement. The State shall communicate all disputes regarding charges or billings for the program within 60 days of the statement date to the Contractor. If the amount owing under an Account has not been paid in full when due, the account(s) will be delinquent. Contractor may suspend any account that is delinquent for a duration of one or more billing cycles. Contractor may cancel any account that is delinquent for a duration of two or more billing cycles, and will provide the State with notice prior to any such cancellation.

**SCHEDULE B
PRICING MATRIX**

1. Any fees associated with Contractor's program for which the State will be liable (i.e. custom reports, interface creation, data file download) have been identified.
2. Any fees associated with database technology for additional services provided by the Contractor have been identified.
3. Any additional costs for additional products and services related to program enhancements have been identified.
4. The Contractor will pay the State a rebate based on the annual charge volume (including MiDeal participation) combined with cycle dates and timing of Contractor's receipt of payment. The rebate schedule is provided below.
5. Revenue and incentive rates must be calculated on the total cumulative spend for all entities participating in this cooperative program and must be proportionately allocated.

Volume Incentive

Annual Volume (US\$)	Rate
10,000,000	1.5100%
20,000,000	1.7050%
30,000,000	1.8400%
40,000,000	1.9300%
50,000,000	1.9950%
60,000,000	2.0050%
70,000,000	2.0200%
80,000,000	2.0300%
90,000,000	2.0400%
100,000,000	2.0650%
125,000,000	2.0750%
150,000,000	2.0850%
175,000,000	2.0900%
200,000,000	2.1000%

*File Turn Days must be 45 or less
Credit Losses deducted from Rebate
Fraud Losses absorbed by U.S. Bank
Rebate payment: Annual*

Speed of Payment Incentive

File Turn Days	Rate	File Turn Days	Rate	File Turn Days	Rate
45	0.0000%	30	0.0750%	15	0.1500%
44	0.0050%	29	0.0800%	14	0.1550%
43	0.0100%	28	0.0850%	13	0.1600%
42	0.0150%	27	0.0900%	12	0.1650%
41	0.0200%	26	0.0950%	11	0.1700%
40	0.0250%	25	0.1000%	10	0.1750%
39	0.0300%	24	0.1050%	9	0.1800%
38	0.0350%	23	0.1100%	8	0.1850%
37	0.0400%	22	0.1150%	7	0.1900%
36	0.0450%	21	0.1200%	6	0.1950%
35	0.0500%	20	0.1250%	5	0.2000%
34	0.0550%	19	0.1300%	4	0.2050%
33	0.0600%	18	0.1350%	3	0.2100%
32	0.0650%	17	0.1400%	2	0.2150%
31	0.0700%	16	0.1450%	1	0.2200%
				0	0.2250%

Volume Incentive

Rate
0.9000%

File Turn Days must be 45 or less
 Credit Losses deducted from Rebate
 Fraud Losses absorbed by U.S. Bank
 Rebate Payment: Annual

Speed of Payment Incentive

File Turn Days	Rate	File Turn Days	Rate	File Turn Days	Rate
45	0.0000%	29	0.0800%	14	0.1550%
44	0.0050%	28	0.0850%	13	0.1600%
43	0.0100%	27	0.0900%	12	0.1650%
42	0.0150%	26	0.0950%	11	0.1700%
41	0.0200%	25	0.1000%	10	0.1750%
40	0.0250%	24	0.1050%	9	0.1800%
39	0.0300%	23	0.1100%	8	0.1850%
38	0.0350%	22	0.1150%	7	0.1900%
37	0.0400%	21	0.1200%	6	0.1950%
36	0.0450%	20	0.1250%	5	0.2000%
35	0.0500%	19	0.1300%	4	0.2050%
34	0.0550%	18	0.1350%	3	0.2100%
33	0.0600%	17	0.1400%	2	0.2150%
32	0.0650%	16	0.1450%	1	0.2200%
31	0.0700%	15	0.1500%	0	0.2250%
30	0.0750%				

Cycle/Payment Rebate scenario For Standard Volume Rebate										
State of Michigan	Cycle Days	7	14	14	30	30	30	30	30	30
Total Standard Spend	Grace Days	3	3	7	3	7	14	20	25	30
	Estimated File Turn Days	7	10	14	18	22	29	35	40	45
Aggregate Volume Grid		Rebate Basis Points								
10,000,000	19,999,999	1.7000%	1.68500%	1.66500%	1.6450%	1.6250%	1.5900%	1.5600%	1.5350%	1.5100%
20,000,000	29,999,999	1.89500%	1.88000%	1.86000%	1.8400%	1.8200%	1.7850%	1.7550%	1.7300%	1.7050%
30,000,000	39,999,999	2.03000%	2.01500%	1.99500%	1.9750%	1.9550%	1.9200%	1.8900%	1.8650%	1.8400%
40,000,000	49,999,999	2.12000%	2.10500%	2.08500%	2.0650%	2.0450%	2.0100%	1.9800%	1.9550%	1.9300%
50,000,000	59,999,999	2.18500%	2.17000%	2.15000%	2.1300%	2.1100%	2.0750%	2.0450%	2.0200%	1.9950%
60,000,000	69,999,999	2.19500%	2.18000%	2.16000%	2.1400%	2.1200%	2.0850%	2.0550%	2.0300%	2.0050%
70,000,000	79,999,999	2.21000%	2.19500%	2.17500%	2.1550%	2.1350%	2.1000%	2.0700%	2.0450%	2.0200%
80,000,000	89,999,999	2.22000%	2.20500%	2.18500%	2.1650%	2.1450%	2.1100%	2.0800%	2.0550%	2.0300%
90,000,000	99,999,999	2.23000%	2.21500%	2.19500%	2.1750%	2.1550%	2.1200%	2.0900%	2.0650%	2.0400%
100,000,000	124,999,999	2.25500%	2.24000%	2.22000%	2.2000%	2.1800%	2.1450%	2.1150%	2.0900%	2.0650%
125,000,000	149,999,999	2.26500%	2.25000%	2.23000%	2.2100%	2.1900%	2.1550%	2.1250%	2.1000%	2.0750%
150,000,000	174,999,999	2.27500%	2.26000%	2.24000%	2.2200%	2.2000%	2.1650%	2.1350%	2.1100%	2.0850%
175,000,000	199,999,999	2.28000%	2.26500%	2.24500%	2.2250%	2.2050%	2.1700%	2.1400%	2.1150%	2.0900%
200,000,000	+	2.29000%	2.27500%	2.25500%	2.2350%	2.2150%	2.1800%	2.1500%	2.1250%	2.1000%

Please note that the highlighted grid in yellow is based on the calculation provided above for Standard Volume.

Cycle/Payment Rebate scenario For Discount Volume Rebate										
State of Michigan	Cycle Days	7	14	14	30	30	30	30	30	30
Discount Interchange Rebate	Grace Days	3	3	7	3	7	14	20	25	30
	Estimated File Turn Days	7	10	14	18	22	29	35	40	45
Volume Grid		Rebate Basis Points								
0	+	1.09000%	1.07500%	1.05500%	1.0350%	1.0150%	0.9800%	0.9500%	0.9250%	0.9000%

Please note that the highlighted grid in yellow is based on the calculation provided above for Discount Volume

Corporate Travel Card	
Feature	Fee
General	
Annual Card Fee	No Fee
Delinquency Fees: <ul style="list-style-type: none"> ▪ Fee assessed on the entire past due amount if full balance is not paid by the due date ▪ Fee assessed each subsequent cycle on the entire past due amount 	No Fee 2.5% (minimum \$2.00)
Interest Charges	No Fee
Cash Advance Fee	2.5% (minimum \$2.00)
Convenience Check Fee	2.5% (minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$2.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$9.00 per statement
Draft/Receipt Copy	No Fee
Replacement Card Fee	No Fee
Expedited Delivery Fee	No Fee
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00
Foreign Currency Fee (if applicable)	1% per transaction
Benefits	
Travel Accident Insurance: \$500,000 coverage	No Fee
Auto Rental Insurance	No Fee
Mastercard Liability Insurance: \$100,000 coverage	No Fee
Lost Luggage Insurance: Maximum \$1,250; not to exceed common carrier reimbursement	No Fee
Other	
Implementation and Training Cost	No Fee
Access Online	No Fee
Custom Mapping	Fee based upon scope of service
Logo Setup Fee	No Fee
Customized Plastic: Three custom plastics are waived for the State. For political subdivisions, there would be the following fees: <ul style="list-style-type: none"> ▪ Quantity of less than 2,000 cards ▪ Quantity of more than 2,000 cards; or specialty printing needs (minimum of 1,000 cards) 	\$2,000 \$5,000

Purchasing Card	
Feature	Fee
General	
Annual Card Fee	No Fee
Delinquency Fees:	
▪ Fee assessed on the entire past due amount if full balance is not paid by the due date	2.5% (minimum \$2.00)
▪ Fee assessed each subsequent cycle on the entire past due amount	2.5% (minimum \$2.00)
Interest Charges	No Fee
Cash Advance Fee	2.5% (minimum \$2.00)
Convenience Check Fee	2.5% (minimum \$2.00)
Convenience Check Stop Payment Fee	\$15.00
Convenience Check Copy Fee	\$2.00
Returned Convenience Check Fee	\$15.00
Statement Copy	\$9.00 per additional statement
Draft/Receipt Copy	No Fee
Replacement Card Fee	No Fee
Expedited Delivery Fee	No Fee
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00 per occurrence
Foreign Transaction Fee (if applicable)	1% per transaction
Other	
Implementation and Training Cost	No Fee
Access Online	No Fee
Electronic Attachments (receipt imaging) Annual Fee	\$3.00 per user
Custom Mapping	Fee based upon scope of service
Logo Setup Fee	No Fee
Customized Plastic:	
Three custom plastics are waived for the State. For political subdivisions, there would be the following fees:	
▪ Quantity of less than 2,000 cards	\$2,000
▪ Quantity of more than 2,000 cards; or specialty printing needs (minimum of 1,000 cards)	\$5,000



**SCHEDULE C
U.S. BANK
COMMERCIAL ACCOUNT AGREEMENT FOR THE STATE OF MICHIGAN**

This United States Commercial Account Agreement (“**Agreement**”) is between **Legal Entity Name of Customer** a [State] [Government Organization] (“**Customer**”) and U.S. Bank National Association (“**U.S. Bank**”). This Agreement is effective upon signing by U.S. Bank (“**Effective Date**”).

Recitals

1. U.S. Bank is an authorized issuing member of certain card associations for the provision of commercial charge accounts;
2. U.S. Bank, in its own capacity or through its affiliates, offers commercial charge accounts and services in the United States, called the Commercial Account Program (“**Program**”); and
3. Customer desires to utilize the Program.

Now, therefore, for and in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Customer and U.S. Bank agree to the following:

1. Product Selection.

Product Selection	Minimum Annual Charge Volume	Number of Account holders
<input checked="" type="checkbox"/> Corporate Accounts	\$ _____	_____
<input checked="" type="checkbox"/> Purchase Accounts	\$ _____	_____
One Card Optional	Minimum Annual Charge Volume	Product
<input type="checkbox"/> Central billing accounts	\$ _____	<input type="checkbox"/> Corporate <input type="checkbox"/> Purchase
<input type="checkbox"/> Managed Spend card	\$ _____	<input type="checkbox"/> Corporate <input type="checkbox"/> Purchase

2. **Rebate.** An Entity may earn a rebate for the products selected in section 1 (Product Selection) above.

- 2.1. **Conditions.** To be eligible for and to retain a rebate, Entity must: (i) satisfy all requirements in Table A; (ii) complete the Agreement Year in which a rebate is earned; and (iii) complete the Agreement Term. If Entity fails to satisfy all requirements of this section, (i) U.S. Bank may retain and will not be required to pay Entity a rebate payment; and (ii) US Bank will invoice the State pursuant to the Contract Terms for any outstanding amounts due to US Bank related to Charge-offs and rebates.

Table A Requirements	
	Corporate Accounts and Purchase Accounts
File Turn Day Payment Performance	≤ 45
Aggregate Net Annual Charge Volume	≥ \$10,000,000.00
Minimum Rebate Earned	≥ \$100.00

- 2.2. **Rebate Calculation.** If an Entity satisfies all requirements in an Agreement Year, U.S. Bank will calculate a rebate for that Entity in the same Agreement Year as follows:

¹ U.S. Bank may suspend or terminate access to Optional Enhancements if U.S. Bank, in its sole discretion, determines that continued access presents a risk of loss or liability to U.S. Bank or Customer.

- (a) U.S. Bank will multiply the Net Annual Charge Volume by the applicable percentage on Table B (Performance Percentage) of section 3.
- (b) U.S. Bank will multiply the Discount Volume by the applicable percentage on Table B (Performance Percentage) of section 3.
- (c) U.S. Bank will multiply the Net Annual Charge Volume by the applicable percentage on Table C (Aggregate Net Annual Charge Volume Percentage) of section 3.
- (d) U.S. Bank will multiply the Discount Volume by the applicable percentage on Table D (Discount Volume Percentage) of section 3.
- (e) U.S. Bank will add the amounts arrived at in sections 2.2.(a)-(d) to arrive at Entity's gross rebate for the Agreement Year.
- (f) U.S. Bank will apply Charge-off Adjustments and remedies, if any, to the gross rebate to arrive at Entity's net rebate for the Agreement Year.

2.3. Payment. U.S. Bank will send Entity's net rebate within 90 days after the completion of the applicable Agreement Year. U.S. Bank will send Entity's final net rebate within 90 days after Entity satisfies all USCAA Obligations and provides written instruction to U.S. Bank to close all Accounts. U.S. Bank may retain and will not be required to pay Entity rebate payments less than \$100.00. U.S. Bank will not carry forward any rebate payment less than \$100.00. Upon termination of the Contract by Customer after expiration of the initial Agreement Term (or during the initial Agreement Term if the State terminates the Contract for Cause pursuant to State of Michigan Contract No 200000000047), U.S. Bank will provide a pro-rata rebate within 90 days of final payment on USCAA Obligations incurred by all Entities subject to the terms of this Contract, if all other requirements are met.

3. Rebate Tables.

Table B					
Performance Percentage					
File Turn Days Payment Performance	Performance Percentage	File Turn Days Payment Performance	Performance Percentage	File Turn Days Payment Performance	Performance Percentage
45	0.0000%	29	0.0800%	13	0.1600%
44	0.0050%	28	0.0850%	12	0.1650%
43	0.0100%	27	0.0900%	11	0.1700%
42	0.0150%	26	0.0950%	10	0.1750%
41	0.0200%	25	0.1000%	9	0.1800%
40	0.0250%	24	0.1050%	8	0.1850%
39	0.0300%	23	0.1100%	7	0.1900%
38	0.0350%	22	0.1150%	6	0.1950%
37	0.0400%	21	0.1200%	5	0.2000%
36	0.0450%	20	0.1250%	4	0.2050%
35	0.0500%	19	0.1300%	3	0.2100%
34	0.0550%	18	0.1350%	2	0.2150%
33	0.0600%	17	0.1400%	1	0.2200%
32	0.0650%	16	0.1450%	0	0.2250%
31	0.0700%	15	0.1500%		
30	0.0750%	14	0.1550%		

Table C	
Net Annual Charge Volume Percentage	
Aggregate Net Annual Charge Volume	Percentage
\$10,000,000.00	1.5100%
\$20,000,000.00	1.7050%
\$30,000,000.00	1.8400%
\$40,000,000.00	1.9300%
\$50,000,000.00	1.9950%
\$60,000,000.00	2.0050%
\$70,000,000.00	2.0200%
\$80,000,000.00	2.0300%
\$90,000,000.00	2.0400%
\$100,000,000.00	2.0650%
\$125,000,000.00	2.0750%
\$150,000,000.00	2.0850%
\$175,000,000.00	2.0900%
\$200,000,000.00	2.1000%

Table D
Discount Volume Percentage
0.9000%

4. **Rebate Payment Registration.** Customer shall register for ACH payments in the manner prescribed by U.S. Bank. U.S. Bank will not make any rebate payments until Customer has registered for ACH. If Customer fails to register for ACH by the completion of the first Agreement Year, Customer forfeits any payment for that Agreement Year and any subsequent Agreement Years in which Customer fails to register for ACH. Customer designates the following person to register Customer for ACH:

Rebate Payment Registration	
a) Authorized Person's Name	
b) Authorized Person's Email Address	

5. **Interchange Rate.** U.S. Bank may modify the current rebates if existing interchange rates or programs are modified or new interchange rates or programs are developed; provided however that any such change must be incorporated into the Contract pursuant to a Change Notice.
6. **Fees.** U.S. Bank may charge Customer the fees set forth below. Failure of U.S. Bank to apply any fee set forth in this Agreement at any time does not preclude U.S. Bank from ever applying such fee. U.S. Bank may modify the Foreign Transaction Fee upon 90 days prior written notice to Customer; provided however that any such modification must be incorporated into the Contract pursuant to a Change Notice.

FEES	
Description	Fee
Annual Card Fee	\$0.00
Delinquency Fee Not paid by due date on the entire past due balance Not paid by each subsequent Billing Cycle on the entire past due balance	0.7 %
Electronic Attachment Utility	\$3.00, annually per Account
Expedited Card Delivery Fee	\$0.00, per delivery
Expense Management Fee	\$40.00 annually, per Account
Foreign Transaction Fee	1.0%
Logo Setup Fee	\$0.00
Non-Sufficient Funds Fee (Return Payment Fee)	\$15.00, per occurrence
Statements Statement copy fee Paper Statement fee Draft copy fee	 \$5.00, per copy \$5.00, per copy \$0.00, per copy

7. **Governing Law and Venue.** The laws of the state in which Customer resides and applicable federal laws and regulations of the United States, apply to any dispute arising out of this Agreement, its subject matter, or its formation. The parties shall bring any dispute or claim arising out of or related to this Agreement before a state or federal court in the city of Lansing, Michigan.
8. **Incorporation.** The following are incorporated herein by reference as if set forth at length:
- 8.1 **Recitals.**
 - 8.2 **Exhibit A – Commercial Account Agreement Terms and Conditions.**

EXHIBIT A
COMMERCIAL ACCOUNT AGREEMENT
TERMS AND CONDITIONS

These Commercial Account Agreement Terms and Conditions (the “**Terms and Conditions**”) set forth the rights and obligations of Customer and U.S. Bank.

1. DEFINITIONS. Capitalized terms used but not defined herein have the meaning ascribed thereto in the Commercial Account Agreement. In addition, the following terms have the following meanings:

- 1.1. “**Account**” means a commercial charge card, regardless of the medium, issued pursuant to the Agreement.
- 1.2. “**Agency**” means any department that is funded or appropriated funds by Customer and that Customer authorizes and U.S. Bank approves for participation in the Program.
- 1.3. “**Aggregate Net Annual Charge Volume**” means the sum of Net Annual Charge Volume for Customer, Agencies, and Participants.
- 1.4. “**Agreement Term**” means the Term as set forth in the Master Contract.
- 1.5. “**Agreement Year**” means a 12 month period beginning with the first day of the month following the implementation period.
- 1.6. “**Average Transaction Size**” means the Net Annual Charge Volume divided by the number of Charges, exclusive of Charges that qualify for discount interchange rates, during each Agreement Year.
- 1.7. “**Billing Cycle**” means the period of time from the date a Statement is generated until the next Statement is generated.
- 1.8. “**Charge**” means any transaction posted to an Account that has a debit value.
- 1.9. “**Charge-off**” means any amount due and owing to U.S. Bank or its affiliates by Customer, its Agencies, Participants, or Account holders including but not limited to uncollectible amounts or amounts due from Account holder delinquencies or bankruptcies.
- 1.10. “**Charge-off Adjustment**” means the difference between Charge-offs and one-half of Charge-off Recoveries.
- 1.11. “**Charge-off Recovery**” means a payment made on a Charge-off.
- 1.12. “**Discount Volume**” means only those Charges that qualify for discount interchange rates and which are processed using discount interchange rates, less credits, and net of Charge-off Adjustments for each Agreement Year. All other charges, fees, cash advances, convenience checks (or cheques), Fraudulent Charges, and chargebacks are excluded from Discount Volume.
- 1.13. “**Entity**” means, as applicable, Customer, inclusive of any Agency, or a Participant.
- 1.14. “**File Turn Days**” means the number of days from the date U.S. Bank funds a Charge to the date of payment, inclusive of the beginning and ending dates.
- 1.15. “**File Turn Days Payment Performance**” means the average File Turn Days for each Agreement Year.
- 1.16. “**Fraudulent Charge**” means a Charge that is not initiated, authorized or otherwise requested by Customer, its Agencies, Participants, or an Account holder and does not directly or indirectly benefit Customer, its Agencies, Participants, or an Account holder.
- 1.17. “**Identification Information**” means legal names, physical street addresses, taxpayer identification or business numbers, dates of birth, or other information or documentation required by U.S. Bank to confirm the identity of any entity or person.
- 1.18. “**Intellectual Property**” or “**Intellectual Property Rights**” means any patent rights, copyrights, trade secrets, trade names, trademarks, service marks, moral rights, know-how and any other similar rights or intangible assets recognized under any laws or international conventions, and in any country or jurisdiction in the world, as intellectual creations to which rights of ownership accrue, and all registrations, applications,

disclosures, renewals, extensions, continuations or reissues of the foregoing now or hereafter in force.

- 1.19. **“Net Annual Charge Volume”** means all Charges set forth on the monthly billing Statements furnished for all Accounts for an Entity in an Agreement Year, less cash advances, fees, Fraudulent Charges, chargebacks, and charges qualifying for discount interchange rates and net of Charge-off Adjustments.
- 1.20. **“USCAA Obligations”** means all Charges, fees, and other activity posted to an Account.
- 1.21. **“Participant”** means any municipality, county, or institutions of higher education that Customer authorizes and U.S. Bank approves for participation in the Program.
- 1.22. **“Statement”** means, with respect to one or more Accounts, a periodic listing of all Charges, fees, and payments posted to such Accounts.

2. CREDIT PROVISIONS.

- 2.1. **Financial Information.** Customer shall provide its fiscal year-end financial statements as soon as available following the end of its respective fiscal year. Publication on a publicly available website of Customer’s Comprehensive Annual Financial Reports (CAFRs) will be deemed by US Bank to be Customer’s compliance with this Section. As of the date of this Agreement, CAFRs are currently published here: https://www.michigan.gov/budget/0,9357,7-379-88613_88628_88682---,00.html, but US Bank understands that the URL for CAFRs may change at any time.
- 2.2. **Credit Controls.** U.S. Bank, at its sole discretion, may revise any credit limits or controls associated with the Program. U.S. Bank will provide notice to Customer or the applicable Participant of any decrease in a Program credit limit that results in an amount lower than the current USCAA Obligations on the Account. Customer or any applicable Participant shall make a payment to U.S. Bank, within ten days of such notice, sufficient to reduce the USCAA Obligations to an amount equal to or less than the revised credit limit.

3. PRODUCTS.

- 3.1 **Reserved.**
- 3.2. **Billing and Payment.** Customer will receive an electronic Statement at the end of Customer’s Billing Cycle. Customer shall pay U.S. Bank the amount due as directed on the Statement. Customer shall pay U.S. Bank using an electronic payment method approved by U.S. Bank. Customer shall communicate all disputes regarding Charges or billings for the program within 60 days of the Statement date to U.S. Bank. If the amount owing under an Account has not been paid in full when due, the Account(s) will be delinquent. U.S. Bank may suspend any Account that is delinquent for a duration of one or more Billing Cycles. U.S. Bank may cancel any Account that is delinquent for a duration of two or more Billing Cycles.
- 3.3. **Liability.** Customer is solely liable to U.S. Bank for all USCAA Obligations under or in connection with corporate liability Accounts. Customer shall immediately notify U.S. Bank in writing via US Bank’s website of any (i) termination of employment of any Account holder or removal of an Agency from the Program; (ii) any lost, stolen, or compromised Account; (iii) any suspected or actual breach, or misuse of an Account or information regarding Accounts or other sensitive information to the extent that Customer is aware and is legally permitted to notify. Customer shall provide U.S. Bank with sufficient information for U.S. Bank to act on such notifications. Upon cancellation of an Account, or termination of this Agreement, Customer shall cancel the billing of all reoccurring transactions to an Account, to the extent Customer is aware of such reoccurring transactions. U.S. Bank is not liable for any reoccurring transactions customer has failed to cancel. U.S. Bank is not liable for Charges declined or approved as a result of inaccurate merchant category codes.

Section 4-6. Reserved.

7. INTELLECTUAL PROPERTY.

- 7.1. Generally.** U.S. Bank or its affiliates, are the owner or licensee of any and all Intellectual Property or other proprietary right associated with U.S. Bank products and services including, but not limited to, the Program, related materials, and derivatives. Except as expressly stated in this Agreement, copying, redistribution, publication, or retransmission of any portion of the foregoing is strictly prohibited without the express written consent of U.S. Bank. Customer shall not change or delete any proprietary notices. Nothing in this provision grants any ownership right to Customer, U.S. Bank remains the sole owner of any and all its Intellectual Property.
- 7.2. Software License.**
- (a) License Grant.** Subject to Customer's compliance with this Section 7, U.S. Bank grants Customer a non-exclusive, non-transferrable license to use and access Accounts on U.S. Bank's or its third party licensor's software, including, without limitation, Access Online (the "**Software**").
 - (b) Ownership.** U.S. Bank or its third party licensors retain all title and ownership of the Accounts and Software, any documentation provided with the Accounts or Software, and any works derived from the Accounts or Software that contain all or part of the Accounts, Software, or U.S. Bank or its third party licensors' Intellectual Property. U.S. Bank asserts that the Accounts and Software is protected by copyright and may be protected by patent, trademark, or other proprietary rights and laws of the United States, Canada, or other jurisdictions. Any rights not granted in this Section 7 are reserved by U.S. Bank or its third party licensors.
 - (c) Updates.** During the term of this Agreement, U.S. Bank or its third party licensors may, from time to time, provide updates of the Software. The updates replace the Software initially licensed to Customer, and do not constitute an additional license to use the Software.
 - (d) Restrictions.** Except as other provided in this Section 7, Customer may not (i) reverse engineer, decompile, or disassemble the Software or bypass or disable any copy protection or encryption; (ii) reformat or make derivative works from the Software; (iii) transmit all or any part of the software by any means, media, or manner that would present the risk of unauthorized access except as provided by U.S. Bank; (iv) disclose part or all of the Software to any third parties except as explicitly authorized by U.S. Bank; (v) use all or part of the Software to advise, consult, or otherwise assist any third parties; and (vi) otherwise use the Software in any manner that would compete in any way with U.S. Bank's business.
 - (e) Audit.** Upon US Bank's written request for certification, Customer agrees to provide written certification of Customer's compliance with the license granted in this Section 7 to US Bank within fifteen (15) business days of receipt of such a request, US Bank may request such written certification from Customer no more than once in any twelve (12) month period.
 - (f) Discontinuance.** U.S. Bank reserves the right to modify or discontinue the Software with notice to Customer; provided, however, that US Bank understands that different Software from that defined in the Schedule A, the Statement of Work, must be incorporated into a new Statement of Work, or the State may terminate the Contract. In the event U.S. Bank discontinues the software U.S. Bank will send notice of the discontinuance to Customer within ten days of the termination.
 - (g) Disclaimer of Warranties.** Customer expressly agrees that use of the Software is at Customer's sole risk. The Software is provided on an "As Is" and "As Available" basis. U.S. Bank makes no warranty that the Software will meet Customers' requirements, or that the Software will be uninterrupted, timely,; nor does U.S. Bank make any warranty as to the results that may be obtained from the use of Software or as to the accuracy or reliability of any information obtained through the Software or that defects in the Software will be corrected. Customer understands and agrees that any information obtained through the use of the Software is done at Customer's own discretion and risk. No advice or information, whether oral or written, obtained by Customer from U.S. Bank regarding the Software shall create any warranty not expressly made herein.

Sections 8-10 Reserved.

11. MISCELLANEOUS PROVISIONS.

- 11.1. Compliance with Applicable Statutes and Regulations.** The parties will maintain compliance with U.S. Bank policy and all statutes, regulations, economic sanctions laws, anti-money laundering laws, and trade restrictions imposed by the United States, United Nations, European Union or Canada applicable to the products and services contemplated under this Agreement. U.S. Bank may require Identification Information for Customer and its Agencies, Participants, and any authorized signers, Account holders or directors of Customer or its Agencies and Participants. Customer shall promptly provide any such required Identification Information to U.S. Bank.
- 11.2. Other Agreements and Regulations.** Customer shall comply with, and shall cause its Agencies, Participants, and Account holders to comply with, the terms and conditions of each agreement listed below to the extent such agreements are applicable to the Program or the products and services provided to Customer pursuant to this Agreement.
- (a) Clearing House Operating Regulations.** Any applicable automated clearinghouse operating rules or regulations, including, without limitation, the National Automated Clearing House Association Operating Rules, Guidelines of the Canadian Payments Association (Payments Canada) operating rules and guidelines, or any related or successor operating rules;
- (b) Card Association Operating Regulations.** Card association operating rules and regulations; and
- (c) End User Agreements.** Each Account holder may receive any and all applicable Cardholder Agreement, Account holder Agreement, Privacy Agreement or End User License Agreement that governs the use of an Account. U.S. Bank may amend the Cardholder Agreement, Account holder Agreement, Privacy Agreement or End User License Agreement from time to time without notice to the Account holder. U.S. Bank will provide Account holders with notice of any material change to the Cardholder Agreement, Account holder Agreement, Privacy Agreement and End User License Agreement.
- 11.3. Modification or Amendment.** The parties may modify the Agreement only by an instrument in writing signed by Customer and U.S. Bank as set forth in the Contract Change process as outlined in Contract No. 200000000047.
- 11.4. Severability.** If any provision of the Agreement be declared invalid for any reason, such declaration will not affect the validity of any other provision of the Agreement, which will remain in full force and effect as if the Agreement had been executed with the invalid provisions eliminated. The parties may use commercially reasonable efforts to agree upon a valid substitute provision in accordance with the purpose of the Agreement and the intent of the parties.
- 11.5. Cumulative Remedies.** Except as expressly provided elsewhere in this Agreement, each party's rights and remedies under the Agreement are cumulative and in addition to, not exclusive of or in substitution for, any rights or remedies otherwise available to that party.
- 11.6. Interpretation of Terms.** The parties expressly agree that the Agreement will not be construed more strongly against either party regardless of which party is more responsible for its preparation.
- 11.7. Headings.** The headings of sections are inserted for convenience of reference only, and do not affect the construction or interpretation of the Agreement.
- 11.8. No Waiver.** No failure or delay by either party to exercise any right, power or privilege provided under this Agreement or by applicable law will operate as a waiver thereof; nor will any single or partial exercise of any such right, power, or privilege preclude any other or future exercise thereof of the exercise of any other right, power or privilege.

**SCHEDULE D
DATA SECURITY REQUIREMENTS**

1. Definitions. For purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Section 1** shall have the respective meanings given to them in the Contract.

“**Contractor Security Officer**” has the meaning set forth in **Section 2** of this Schedule.

“**Contractor Systems**” has the meaning set forth in **Section 5** of this Schedule.

“**FedRAMP**” means the Federal Risk and Authorization Management Program, which is a federally approved risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.

“**FISMA**” means The Federal Information Security Management Act of 2002 (44 U.S.C. ch. 35, subch. III § 3541 et seq.).

“**Hosted Services**” means the hosting, management and operation of the computing hardware, ancillary equipment, Software, firmware, data, other services (including support services), and related resources for remote electronic access and use by the State and its Authorized Users, including any services and facilities related to disaster recovery obligations.

“**NIST**” means the National Institute of Standards and Technology.

“**PSP**” means the State’s IT Policies, Standards and Procedures located at:

http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html

“**PCI**” means the Payment Card Industry.

“**SSAE**” means Statement on Standards for Attestation Engagements.

2. Contractor will appoint a Contractor employee to respond to the State’s inquiries regarding the security of the Contractor Systems who has sufficient knowledge of the security of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto (“**Contractor Security Officer**”). The Contractor Security Officer will be considered Key Personnel under the Contract.

3. Protection of the State’s Confidential Information. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will:

3.1. Contractor must maintain an annual SSAE 18 SOC 2 Type 2 audit for the Hosted Services throughout the Term;

3.2. ensure that the Software is securely hosted, supported, administered, and accessed in a data center that resides in the continental United States, and a primary data center that minimally meets Uptime Institute Tier 3 standards (www.uptimeinstitute.com), or its equivalent;

3.3. maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State’s Confidential Information that comply with Contractor Policy and industry standards, and must, at a minimum, remain compliant with the applicable legal, regulatory and contractual requirements including Gramm-Leach-Bliley Act (“GLBA”), Payment Card Industry (“PCI”),

Health Insurance Portability and Accountability Act (“HIPAA”), Sarbanes-Oxley Act (“SOX”) and the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework;

3.4. provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of the State’s Confidential Information and the nature of such Confidential Information, consistent with best industry practice and standards;

3.5. take all reasonable measures to:

- (a) secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against “hackers” and others who may seek, without authorization, to disrupt, damage, modify, access or otherwise use Contractor Systems or the information found therein; and
- (b) prevent (i) the State and its Authorized Users from having access to the data of other customers or such other customer’s users of the Services; (ii) the State’s Confidential Information from being commingled with or contaminated by the data of other customers or their users of the Services; and (iii) unauthorized access to any of the State’s Confidential Information;

3.6. ensure that State Data is encrypted in transit and at rest using AES 256bit or higher encryption;

3.7. ensure that State Data is encrypted in transit and at rest using currently certified encryption modules in accordance with FIPS PUB 140-2 (as amended). *Security Requirements for Cryptographic Modules*; and

3.8. ensure the Hosted Services have multi-factor authentication for privileged/administrative access.

4. Unauthorized Access. Contractor may not access, and shall not permit any access to, State systems, in whole or in part, whether through Contractor’s Systems or otherwise, without the State’s express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State systems must be solely in accordance with the Contract and this Schedule, and in no case exceed the scope of the State’s authorization pursuant to this **Section 4**. All State-authorized connectivity or attempted connectivity to State systems shall be only through the State’s security gateways and firewalls and in compliance with the State’s security policies set forth in the Contract as the same may be supplemented or amended by the State and provided to Contractor from time to time.

5. Contractor Systems. Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by or for Contractor in connection with the Services (“**Contractor Systems**”) and shall prevent unauthorized access to State systems through the Contractor Systems.

6. Security Audits. During the Term, Contractor will:

6.1. maintain complete and accurate records relating to its data protection practices, IT security controls, and the security logs of any of the State’s Confidential Information,

including any backup, disaster recovery or other policies, practices or procedures relating to the State's Confidential Information and any other information relevant to its compliance with this Schedule; and

6.2. if requested by the State, provide a copy of Contractor's SSAE 16 report or its equivalent to the State within thirty (30) days after Contractor's receipt of the State's written request. Any such audit reports will be recognized as Contractor's Confidential Information.

7. Nonexclusive Remedy for Security Breach. A material failure of the Services to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State and Contractor will work together to determine a reasonable cure period for Contractor to correct such failures. Should Contractor not cure the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

8. PCI Compliance.

8.1. Contractors that process, transmit, store or affect the security of credit/debit cardholder data, must adhere to the PCI Data Security Standard. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

8.2. The Contractor will provide prompt notice to the State's Contract Administrator in the event that Contractor becomes aware that cardholder data of the State's current or former customers has been compromised as a result of a breach of security at Contractors, its [Affiliates] or its [Agents]. Such notice will include Contractor's reasonable estimate of the number of Customer records affected and the nature of the information exposed, together with the steps to be taken by Contractor to limit such exposure and avoid a recurrence thereof.

8.3. The Contractor is responsible for all costs incurred as the result of the breach. Costs may include, but are not limited to, fines/fees for non-compliance, card reissuance, credit monitoring, and any costs associated with a card association.

8.4. Without limiting Contractor's obligations of indemnification as further described in this Contract, Contractor must indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the breach.

8.5. The Contractor must dispose of cardholder data when it is no longer needed in compliance with PCI DSS policy and promptly following the expiration of the Record Retention Period, except that Contractor may retain a single copy of such Confidential Information as required by Applicable Law. The Contractor must continue to treat cardholder data as confidential upon contract termination.

The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance (AOC) within ten (10) days of the State's written request for such report showing the contractor is in compliance with the PCI Data Security Standard.

**SCHEDULE E
DISASTER RECOVERY PLAN**

Contractor has provided the State with a copy of its Disaster Recovery (DR) Plan, which is incorporated herein by reference. The DR Plan is statutorily exempt from disclosure through FOIA request for security reasons.

**SCHEDULE F
PCARD SIGMA FILE STRUCTURE**

The State has provided Contractor with a copy of the PCard SIGMA File Structure, which is incorporated herein by reference. The PCard SIGMA File Structure is statutorily exempt from disclosure through FOIA request for security reasons.

SCHEDULE G
Interface Internal Exchange Transaction Document (IET9)

The State has provided Contractor with a copy of the Interface Internal Exchange Transaction Document (IET9), which is incorporated herein by reference. The IET9 is statutorily exempt from disclosure through FOIA request for security reasons.