

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 5-23-99-37-01	PURCHASING AUTHORITY NUMBER (If Applicable)
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of General Services

CONTRACTOR NAME

U.S. Bank National Association

2. The term of this Agreement is:

START DATE

July 1, 2023

THROUGH END DATE

November 1, 2026, with three (3) optional two-year extensions

3. The maximum amount of this Agreement is:

\$0.00 (Zero dollars and zero cents, with no guarantee of contract expenditure)

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Scope of Work	31
Exhibit B	Budget Detail and Payment Provisions	3
Exhibit B.1	Rebates/Incentives Sheet	2
Exhibit C *	General Terms and Conditions (GTC 04/2017)	1
Exhibit D	Insurance Requirements	3
Exhibit E	Additional Provisions	8
Exhibit F	Definitions	5

*Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.*

*These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>*

**IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.**

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

U.S. Bank National Association

CONTRACTOR BUSINESS ADDRESS

800 Nicollet Mall

CITY

Minneapolis

STATE

MN

ZIP

55402

PRINTED NAME OF PERSON SIGNING

Brian Richter

TITLE

Senior Vice President

CONTRACTOR AUTHORIZED SIGNATURE

**Brian Richter**

Digitally signed by Brian Richter  
Date: 2023.06.29 15:13:18 -05'00'

DATE SIGNED

06/29/2023

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 5-23-99-37-01	PURCHASING AUTHORITY NUMBER (If Applicable)
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**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

Department of General Services

CONTRACTING AGENCY ADDRESS

707 Third Street, 2nd Floor

CITY

West Sacramento

STATE

CA

ZIP

95605

PRINTED NAME OF PERSON SIGNING

Carol Bangs

TITLE

Acquisitions Branch Chief, Procurement Division

CONTRACTING AGENCY AUTHORIZED SIGNATURE

**Carol Bangs**

Digitally signed by Carol Bangs  
Date: 2023.06.29 19:42:34 -07'00'

DATE SIGNED

6/29/2023

CALIFORNIA DEPARTMENT OF GENERAL S

EXEMPTION (If Applicable)



## **EXHIBIT A – SCOPE OF WORK**

### **1. INTRODUCTION**

The State of California, Department of General Services Procurement Division (DGS–PD), on behalf of Department of General Services (DGS), Statewide Travel Program (STP) is contracting with U.S. Bank National Association (hereinafter referred to as “Contractor” or “U.S. Bank”) for Travel Payment Services (TPS) to be used by eligible User Agencies as defined in Exhibit A, Section 8.

Contractor shall provide TPS for travel and travel related expenses in accordance with the terms and conditions of this MSA. Travel and travel-related expenses include, but are not limited to domestic and international airfare, travel agency transactions, commercial car rentals, rail tickets, ground transportation, electronic toll collection systems, parking, electric vehicle charging, lodging, meeting, and conference rentals, meals, and incidentals.

Each User Agency shall determine whether use of this MSA is consistent with its procurement policies and regulations.

### **2. AGREEMENT TERM**

- A. The term of this MSA is for a three (3) year period from the “Go Live” date. This MSA is effective upon approval from the DGS-PD.
- B. The “Go Live” date shall be November 1, 2023. Implementation, training, and payment Account set-up tasks must begin upon execution of the MSA at no cost to STP. Transactions shall not commence until the “Go Live” date.
- C. The DGS-PD, at its sole discretion, may extend this MSA for three (3) two-year options, with a maximum cumulative term period of nine (9) years.
- D. All rates as outlined in Exhibit B.1 - Rebates/Incentives Sheet shall be firm-fixed for the initial MSA term (3 years). In the event of (i) a decrease or increase in the Visa USA Interchange Reimbursement Fees for one or more merchants from the April 2022 published interchange rates, (ii) an interchange event by a Visa Preferred Partner merchant impacting interchange rates by five percent (5%) or more or (iii) the movement of a merchant into the VISA Preferred Partner program or similar alteration of the interchange paid by a merchant by more than five percent (5%) (each such impacted merchant an “Impacted Merchant”), Contractor will have the right, but not obligation to modify the current Rebate/Incentive Share with a new Rebate/Incentive Share for each Impacted Merchant to reflect the proportionate change of the interchange rates, with at least six (6) month notice to STP Contract Administrator. Contractor will provide written justification to the STP Contract Administrator with validation of the

adjustment and identify how the adjustment is applicable to travel-related purchases. New rates will become effective through amendment to the MSA.

### 3. ORDER OF PRECEDENCE

In the event of a discrepancy and/or inconsistency between the articles, attachments, or provisions which constitute this MSA, the descending order of precedence shall apply in the sequence displayed on the Standard Agreement (STD 213).

### 4. CONTRACT ADMINISTRATORS

A. All inquiries during the term of this MSA will be directed to the representatives listed below:

**DGS-PD Contract Administrator**

Kush Kishor  
Department of General Services, Procurement Division  
707 Third Street, 2nd Floor  
West Sacramento, CA 95605  
Phone: (916) 375-4365  
Email: Kush.Kishor@dgs.ca.gov

**STP Contract Administrator**

Lori Wasson  
1700 National Drive  
Sacramento, CA 95834  
Phone: (279) 946-8513  
Email: Lori.Wasson@dgs.ca.gov

**Contractor's Contract Administrator**

Leslie Massey  
Phone: (805) 591-7255  
Email: Leslie.Massey@usbank.com  
Contractor Address:  
U.S. Bank – Corporate Payment Systems  
200 South Sixth Street  
Minneapolis, MN 55402

B. Should a representative change, each party will notify the other parties in writing no later than fourteen (14) calendar days after the date of such change, without amendment to this MSA.

### 5. TERMINATION

Should the Contractor fail to commence work at the agreed upon time, DGS-PD, upon five (5) calendar days written notice to the Contractor, reserves the right to

terminate this MSA. In addition, the Contractor shall be liable for the actual cost of engaging another Contractor to perform the work.

## **6. TERMINATION FOR CONVENIENCE**

In addition to any other provision of this MSA, DGS-PD may terminate this MSA or cancel a portion of the service for any reason by giving the Contractor a minimum of thirty (30) calendar days written notice.

## **7. AMENDMENTS**

- A. Any modifications to the requirements contained in this MSA may only be authorized through an amendment and mutually agreed upon by DGS-PD and the Contractor.
- B. If Contractor determines the provision of any of the services under the MSA is counter to any existing, new, or amended law, regulation, regulatory interpretation, anticipated regulatory interpretation, or any enforcement of existing, new, or amended law, regulation, regulatory interpretation, or anticipated regulatory interpretation, Contractor shall immediately notify STP of proposed changes required for compliance and continuation of services under the MSA. Contractor shall negotiate to incorporate the modification(s) or discontinuance of services.

## **8. AUTHORIZED USER AGENCY**

- A. Eligible authorized User Agencies are as follows:
  - 1) Executive Branch User Agencies – State of California tax funded agency, department, board, or commission under the Executive Branch empowered to expend public funds.
  - 2) Non-Executive Branch User Agencies:
    - a) Non-Salaried: Persons who are on official state business and whose travel expenses are paid by the state (this includes volunteers, members of official task forces, contractors, consultants and members of some commissions and boards, and wards of the state).
    - b) Elected Constitutional Officers: Governor, Lieutenant Governor, State Controller, Attorney General, Secretary of State, Superintendent of Public Instruction, State Treasurer, Insurance Commissioner, members of the Board of Equalization, and members of the staff of the above constitutional officers.
    - c) State Legislative Branch: Members of the State Senate, Members of the State Assembly, and Legislative staff members.

- d) State Judicial Branch: Justices, officers, and employees of the Supreme Court of California, the Courts of Appeal, the Judicial Council of California, and the State BAR of California.
- e) Executive Protection: Persons providing executive protection to anyone authorized to use these contracted rates.
- f) Local Agencies: Elected officials and other personnel of local agencies within California, to the extent that the travel is undertaken in accordance with the laws governing those agencies; persons employed by or affiliated with the California League of Cities (CLC), the California State Association of Counties (CSAC), the California State Districts Association (CSDA) or affiliated organizations. Whenever the term "state business" is used in this MSA, it shall be read to include travel undertaken to perform the official business of local agencies, CLC, CSAC, CSDA or the affiliated organizations referred to herein.
- g) Kindergarten through Grade Twelve (K-12) School Districts: Persons on official business for K-12 educational institutions that are supported with public funds and are authorized by action of and operated under the oversight of a publicly constituted local or state educational agency.
- h) Employees of the California State University (CSU) system, University of California (UC) system, and California Community College (CCC) system.

#### **9. MANAGEMENT MEMO (MM) 14-03**

Pursuant to Management Memo (MM) 14-03 dated March 6, 2014, Executive Branch agencies are required to make all travel arrangements (airfare, hotel, commercial car rental, and rail) through STP. This MSA will be mandatory for Executive Branch employees traveling on official state business, except when emergencies or unusual operating conditions arise.

#### **10. NON-EXECUTIVE BRANCH USER AGENCIES**

- A. Contractor shall permit Non-Executive Branch User Agencies to participate under the resulting MSA.
- B. Non-Executive Branch User Agencies shall have the same rights and privileges as the state under the terms of this MSA.
- C. Any Non-Executive Branch User Agencies shall be required to submit to the same responsibilities as do state agencies and will have no authority to amend, modify or change any condition of this MSA with the exception the specific provisions cited below:
  - 1) Invoicing, delivery, and payment provisions.

2) Governing law, jurisdiction.

If the parties cannot mutually agree, neither party shall be obligated to enter into an agreement.

## **11. CONTRACTOR RESPONSIBILITIES**

- A. Contractor is responsible for providing TPS in accordance with this MSA.
- B. After “Go Live” date, changes to processes, procedures, services, or software utilized by STP or any User Agencies must be provided to STP with at least thirty (30) days prior written notice. If change is dictated by legislation or Card Network requirements, changes may be provided to STP with shorter written notice. Contractor and STP shall mutually agree on process changes when reasonably possible or when the process is unique to the STP. Contractor will collaborate with STP on communications to User Agencies.
- C. Contractor must provide controls that will prevent the use of the card for purchasing commodities and services that STP or the User Agency designates as restricted.
- D. Contractor shall notify STP immediately (no more than three (3) calendar days) in writing of any lost, stolen, or compromised Account, and any suspected or actual breach, or Unauthorized Use of an Account or information regarding Accounts or other sensitive information.

## **12. IMPLEMENTATION PLAN**

- A. Prior to “Go Live” date, Contractor shall collaborate with STP to provide a detailed draft implementation plan which includes at minimum, major tasks, activities, timeframe, and allocated resources for services outlined within this MSA. Within ten (10) calendar days of executed MSA, the Contractor shall finalize and submit a final implementation plan to STP for approval and initiation.
- B. Contractor shall set up and implement existing payment/card Accounts by the MSA “Go Live” date in the following order of priority:
  - 1) User Agencies’ Centrally Billed Accounts
  - 2) Individually Billed, Individual Liability Accounts
- C. A naming convention for the setup of Accounts will be determined through mutual agreement between STP and the Contractor. The naming convention will be maintained and used for all payment/card Accounts throughout the term of this MSA.

- D. Contractor shall assign a dedicated Account Manager who will be the primary point of contact to address issues during rollout and beyond.
- E. Contractor will work with the STP Contract Administrator to meet all elements of the agreed upon implementation plan.
- F. Contractor shall attend meetings as required with STP during the implementation.
- G. Contractor shall ensure that all key staff shall be present during the initial implementation meeting as required by STP.
- H. Contractor shall participate in weekly implementation planning meetings, beginning no later than two (2) weeks after executed MSA. Implementation meetings will continue weekly until two (2) weeks after implementation at a minimum.
- I. Contractor shall provide direct, active involvement in the leadership of the implementation, providing sufficient resources to ensure its overall success.
- J. Contractor shall collaborate with STP and the current TPS MSA 5159906 contractor to transition all current User Agencies prior to the "Go Live" date.
- K. Contractor shall be fully onboarded with instruction from STP, prior to providing any services; this includes any Subcontractors.
- L. Contractor shall collaborate with STP and STP contractors, including but not limited to the current TPS MSA 5159906 contractor to coordinate the transferring, exporting and/or receiving card Account and Program Administrator data.
- M. Contractor shall be prepared to charge transactions commencing on the "Go Live" date.
- N. Contractor must be able to issue cards or multiple cards (different card numbers) for the same Account or billing entity to select Cardholders as required.
- O. Prior to "Go Live" date, Contractor shall collaborate with the current TPS MSA 5159906 contractor to facilitate a seamless transition for virtual payments, as to not impact any current User Agencies utilizing the program.

### **13. USER AGENCY RESPONSIBILITIES**

- A. All User Agencies shall prepare and submit the necessary forms to participate in this MSA, as directed by STP.



- B. All User Agencies shall designate a Program Administrator who will serve as the primary point of contact between the User Agency, STP and the Contractor for Account management purposes. User Agencies shall also designate a secondary or back-up Program Administrator to ensure program continuity.
- C. User Agencies participating in this MSA shall comply with all applicable state procurement laws, regulations, policies, procedures, and best practices.
- D. All User Agencies shall assume responsibility for preventing unauthorized charges on the Account, reconciling all card transactions, and making timely payments to the Contractor for services rendered under this MSA.
- E. All User Agencies shall assume responsibility for all authorized charges incurred on centrally billed Accounts. Individually Billed, Individual Liability Account Cardholders are liable for all authorized charges.
- F. User Agencies shall have no liability for lost or stolen cards or fraudulent use of any card products.
- G. User Agencies will safeguard information regarding cards, Account numbers, passwords, personal identification numbers and other sensitive information provided by the Contractor in a manner that is consistent with those applicable to the User Agencies' other accounts. Each party will utilize commercially reasonable efforts to maintain an appropriate information security program to prevent the unauthorized disclosure, Unauthorized Use, alteration, or destruction of confidential information.

#### **14. CARD ACCOUNTS**

- A. All payment accounts (cards) must be accepted and recognized by the widest possible variety of merchants in the United States, Canada and internationally.
- B. Contractor shall provide, at minimum, the following account types:
  - 1) Centrally Billed Account – Card accounts billed to the User Agency or program within a User Agency. These accounts are paid directly by the User Agency and may utilize a physical card or a cardless (ghost) account.
  - 2) Virtual Account – Virtual Accounts billed to the User Agency or program within a User Agency. These accounts are paid directly by the User Agency and do not utilize a physical card.
  - 3) Individually Billed, Individual Liability Account – Card account billed directly to the Cardholder. These accounts are paid directly by the Cardholder and utilize a physical card.

- C. Contractor shall provide, at minimum, the following card types to all User Agencies:
- 1) Declining Balance Card/Managed Spend Card – Specialized card with a pre-set spend limit and expiration date that is typically non-replenishing. This card product has an established limit that reduces as transactions occur.
  - 2) Emergency Card – Specialized card that is always open, active, and ready for use, often with no or an extremely high credit limit.
  - 3) Travel Card – Physical card used by a User Agency and its employees for travel expenses. This product may be used to make travel arrangements, or by a Cardholder at the point of sale.
  - 4) Meeting Card – Physical card used by a User Agency and its employees for meeting and conference related expenses, including but not limited to room rental, food and beverage, audio and visual, room blocks, and other meeting and conference related expenses.
  - 5) Virtual Card – Virtual, single-use credit card number intended as a method of payment for travel-related services.
- D. Contractor shall provide a Restricted Card: A travel card issued to applicants with a low credit score that contains more stringent restrictions defined by the agency/organization, which may require the Contractor to:
- 1) Reduce the overall dollar limit for the card.
  - 2) Reduce the limit on individual transaction amounts.
  - 3) Limit the types of transactions allowed.
  - 4) Issue pre-paid card that automatically restricts dollar amount and transaction types.
  - 5) Limit the dollar amount of transactions that can be applied to the card within a particular time period.
  - 6) Limit the length of time a card remains active, such as for the length of time in travel status only; and/or
  - 7) Restrict use at ATM's.
- E. STP and a User Agency may cancel payment accounts with thirty (30) calendar days written notice.

- F. Accounts must link to STP's separately contracted Travel Management Services (TMS) provider, and Online Booking Tool (OBT), through the Global Distribution System (GDS).
- G. Contractor shall integrate virtual payments for all travel services under this MSA and shall have the ability to integrate virtual payments for all other current and future STP travel segments.
- H. Contractor shall issue any Virtual Account through the GDS and OBT by automatically generating a single-use Virtual Card number for STP programs including but not limited to:
  - 1) Lodging
  - 2) Airline
  - 3) Commercial Car Rental
- I. STP or a User Agency may request that the Contractor issue an Individually Billed, Individual Liability Card, to which Cardholder is solely liable for all amounts incurred through such cards, and any applicable fees as provided in the cardholder account agreement in effect.
- J. Reporting of Individually Billed, Individual Liability Accounts to the credit bureaus will not be sooner than one hundred eighty-one (181) calendar days Past Due. Should the Contractor choose not to report the Cardholder to the credit bureaus at one hundred eighty-one (181) calendar days Past Due, the Contractor shall waive deductions for credit loss (Charge Off deduction) of the one hundred eighty-one (181) calendar days Past Due reported amount.
- K. Each card must have a "per transaction" and monthly charge limit as determined by STP. Purchases for amounts greater than the determined limits must be rejected. Unless otherwise requested by STP, the Contractor must not accept purchases that would cause the credit limit to be exceeded.

## **15. ACCOUNT/CARD ISSUANCE**

- A. Contractor must allow for Program Administrators to order and issue cards (single or multiple simultaneously) online.
- B. All requests for account/card issuance or re-issuance shall have proper approval from STP and/or the Program Administrator.
- C. Cards must be automatically re-issued upon card expiration unless otherwise specified by STP or the Program Administrator in writing or electronically.
- D. Cards are to be provided or delivered to the User Agency, as directed, within

two (2) to three (3) business days of receipt of a Card Application or completion of account setup, and in urgent cases, within twenty-four (24) hours.

1) In the event of a lost or stolen card, a replacement card is to be delivered within seventy-two (72) hours of STP or User Agency notification to Contractor or within twenty-four (24) hours in urgent cases. Urgency will be determined by STP or User Agency.

- E. Contractor must be able to deliver cards overnight when requested by the User Agency.
- F. Program Administrators shall have the authority to approve all changes to the name and/or delivery address of their respective User Agencies' cards.
- G. Centrally Billed Accounts shall have the ability to link one or more centrally billed cards within the same Centrally Billed Account.
- H. Contractor must be able to issue multiple cards (different card numbers) for the same account or billing entity as required by the User Agency.
- I. User Agency shall only be permitted to request the issuance of Accounts in the name of the following parties: (i) in its own name, (ii) in the name of any User Agency employee, (iii) in the name of any individual that is acting directly or indirectly as an independent contractor of User Agency and (iv) in the name of any other individual provided on a temporary basis and so long as such individual has a bona fide connection to User Agency (i.e., a temporary card issued to an employee candidate). Contractor may refuse to issue an Account to any party that cannot satisfy Contractor's regulatory requirements referenced in Exhibit E, Section 8.A.
- J. Contractor may immediately, (i) suspend or cancel any Account, with notice, if Contractor is unable to verify the identity of the Account holder or owner of the Account based on the information submitted to Contractor, or if Contractor is unable to verify that providing services to an Account holder or User Agency does not pose a risk to Contractor of violating any applicable law, statute, or regulation.

## **16. RESTRICTIONS AND LIMITS**

- A. Contractor shall prohibit use of cash advances or withdrawals at ATMs for all card accounts.
- B. Contractor agrees to suspend, impose, and/or set limits and restrictions on payment/card accounts as specified by STP to include, but not be limited to:
  - 1) Limiting the types of transactions allowed and the number of transactions allowed.

- 2) Limiting the dollar amount of transactions that can be applied to the account within a particular time period.
  - 3) Maximum daily/weekly/monthly spend limits.
  - 4) Limiting or blocking a single or multiple merchants by use of Merchant Category Codes (MCC).
  - 5) Limiting the length of time a card or an account number remains active.
  - 6) Suspending any account that is delinquent for a period exceeding ninety (90) calendar days from the Billing Cycle close date.
  - 7) Cancelling/closing any account that is delinquent for a period exceeding one hundred eighty (180) calendar days from the Billing Cycle close date.
- C. On an exception basis, the Contractor must have a process in place whereby the User Agency can request the Contractor to change the limits instantly or within a few hours.

## **17. CARD DESIGN**

- A. Contractor shall be responsible for the embossing and printing of the cards to STP's specifications. STP reserves the right to change the card design during the life of this MSA.
- B. The final content and design of the cards will be determined by Contractor with approval from STP. Contractor agrees that the card design will include, at a minimum:
  - 1) "Official Government Travel Only".
  - 2) User Agency's full name, and Cardholder name if applicable.
    - a. Minimum of 24 characters for the name embossed on the card.
  - 3) Contractor's customer service toll free number. A regular phone number must also be printed in case of requirement for collect calls to enable coverage of all destinations.
- C. STP and the Contractor will agree upon any other design features that would assist with card acceptance and Fraud prevention.

## **18. ENROLLMENT FOR NEW USER AGENCIES**

- A. Enrollment and onboarding of new User Agencies after the initial implementation should include a structured, less than forty-five (45) calendar

day timeline outlining the support and assistance for each User Agency to ensure the most effective transition to STP.

- B. Contractor shall provide new User Agencies enrollment procedures and package to STP for approval within thirty (30) calendar days of the kickoff meeting. The enrollment package may include a Card Application and participating agreement that stipulates User Agencies agree to follow the terms and conditions of this MSA. Contractor agrees to work with STP on any edits on the enrollment package. After mutual review by both parties, STP will approve the final enrollment process including procedures and form for use by User Agencies.
- C. Contractor shall have a pre-established Account setup process. Contractor shall provide STP with a draft of the pre-established Account setup process within thirty (30) calendar days of kick off meeting. Contractor agrees to work with STP on any edits on the pre-established account setup process. Final pre-established Account setup process must be approved in writing by STP. Pre-established Account setup process may be customized based on the needs of each User Agency.
- D. Contractor shall direct inquiries regarding enrollment to STP.
- E. Contractor must create new billing Accounts within four (4) weeks or less from submission of the STP approved enrollment package.
- F. Each User Agency (except for Executive Branch agencies) will be subject to credit verification by the Contractor and imposed limits/restrictions based on credit worthiness.

## **19. REBATES AND INCENTIVES**

- A. Total Spend Incentives and Prompt Payment Incentives outlined in Exhibit B.1 – Rebates/Incentives Sheet will stay in effect for the entire term of the MSA, including exercised option year(s) unless modified in accordance with Exhibit A, Section 2.D.
- B. Total Spend Incentive
  - 1) STP must receive a Basis Point (BP) (percentage) of its total annual spend volume, excluding returns, credits, and unauthorized use of cards or Accounts during the incentive period.
  - 2) The Total Spend Incentive must be provided to STP annually, within ninety (90) calendar days of the “Go Live” date.

- 3) The Total Spend Incentive will be made payable to STP via check, automatic clearing house (ACH), or electronic funds transfer (EFT), as determined by STP.
- 4) The Total Spend Incentive to be received annually by STP is calculated as:  
BP (percentage) x Annual Total Spend Volume minus one hundred eighty (180)-day Credit Losses and Charge Offs.

C. Prompt Payment Incentives

- 1) Prompt Payment Incentives will be calculated annually based on the average speed of pay within a contract year. The speed of pay is based on a standard calculation of Client Held Days Payment Performance as defined in Exhibit F. User Agencies must receive a BP (percentage) of their annual total volume based on the User Agency's average speed of pay. Contractor shall identify the average speed of pay for the User Agency within the contract year and apply the appropriate BP from Exhibit B.1 – Rebates/Incentives Sheet.
- 2) The Prompt Payment Incentive must be paid to the User Agency on an annual basis.
- 3) Any User Agency that does not earn a minimum of twenty-five dollars (\$25) for Prompt Payment Incentive for all Centrally Billed Accounts combined annually will forfeit its incentive share for that contract year.
- 4) The Prompt Payment Incentive to be received annually by User Agencies is calculated as: Appropriate BP (percentage) based on individual User Agency's annual average speed of pay x User Agency's Total Annual Spend Volume.
- 5) In the event a User Agency's Participating Agreement is terminated prior to completion of the contract year, payment for Prompt Payment Incentive shall be made to the User Agency within ninety (90) days following the last day of the year in which the termination occurred for any incentive share earned prior to the termination date.
- 6) User Agencies may opt-out of receiving Prompt Payment Incentive by providing written notification (email) to STP and the Contractor. (Template document may be created with mutual agreement of STP and Contractor for opt-out use).
  - a) If a Prompt Payment Incentive is earned by a User Agency that selects the "opt-out" provision, or that does not provide required banking instruction detail as required to receive payment, Contractor shall process monies for issuance and make payable to STP by supplemental payment.

- 7) The Prompt Payment Incentive shall be made via mailed check, ACH or EFT, as determined by the User Agency.
  - a) The Prompt Payment Incentive will not be calculated with or affect the Total Spend Incentive and/or the resulting payment.

D. Incentive Reporting

- 1) Contractor shall provide an electronic Spend Incentive Usage Report to the STP Contract Administrator on an annual basis. The report shall provide the calculated Total Spend (Incentive) to be provided to STP for the MSA year. Report must contain at a minimum, but not limited to, the following data elements:
  - a) Monthly and Annual Total Spend
  - b) Total Number of Transactions
  - c) Calculated Total Spend Incentive
  - d) Calculated Total Spend Incentive (by User Agency)
  - e) Charge Offs
  - f) Date Paid
  - g) Actual Total Spend Incentive due to STP (cumulative for all Participating User Agencies minus Charge Offs)
- 2) Contractor shall provide an electronic Prompt Payment Usage Report to the STP Contract Administrator on an annual basis. The report shall provide the calculated Prompt Payment (Incentive) by User Agency for the MSA year. Report must contain at a minimum, but not limited to, the following data elements:
  - a) Participating User Agency
  - b) Monthly and Annual Total Spend (by User Agency)
  - c) Total Number of Transactions (by User Agency)
  - d) Average Days to Pay (by User Agency)
  - e) Calculated Prompt Payment Incentive (by User Agency)
  - f) Date Paid
  - g) Charge Offs (by User Agency)



3) Contractor must submit Total Incentive Usage Report and Prompt Payment Usage Reports in Excel format via email within thirty (30) calendar days from the "Go Live" date to STP for review. After mutual review by both parties, STP will approve in final reporting format.

E. New card products and services must not impact the Total Spend and Prompt Payment Incentive share offering.

## **20. STAFFING/CUSTOMER SERVICE**

A. Contractor must provide all necessary staff to maintain all service levels, and provide prompt, courteous and efficient service. The number of assigned staff shall be sufficient to meet all service level requirements including but not limited to, Account settlement inquiries, payment discrepancy resolution, online system administration, reporting, and training as needed.

B. Contractor staff must be based in the continental United States (US).

C. Contractor shall provide at least one (1) designated Account Manager and one (1) backup Account Manager, each with a minimum of three (3) years of experience to oversee the daily operations and provide Account management support to STP and User Agencies, including but not limited to:

- 1) Serve as the primary point of contact to address issues during implementation and beyond.
- 2) Be available Monday through Friday to STP and Program Administrators during the User Agencies' regular business hours, i.e., 8:00 a.m. – 5:00 p.m. (PST).
- 3) Participate in, at minimum, bi-weekly meetings to review performance, new and existing Account status, program initiatives, and outstanding customer service issues.
- 4) Required to attend in-person meetings throughout California. Any travel expenses associated with this role will not be covered or reimbursed by the state.
- 5) Provide implementation planning and onboarding support with detailed actions, bi-weekly calls, and effective communication with STP and current and potential User Agencies.
- 6) Establish and maintain relationships with existing and potential User Agencies to ensure ongoing active Account management to support professional relationships and customer service.

- 7) At the request of STP, the Account Manager shall conduct an annual TPS program analysis and review of the top User Agencies. This program review shall include identification of missed and new travel opportunities and align with User Agencies' specific goals.
- D. Contractor shall provide a designated customer service team consisting of, at minimum, one (1) dedicated Account Representative and one (1) backup Account Representative, to support the size, scope, and complexity of an Account the size of the State of California, including but not limited to the following:
- 1) Day-to-day Account management support to STP, Program Administrators and Cardholders.
  - 2) A domestic and international toll-free telephone number available to Cardholders twenty-four (24) hour a day, seven (7) days a week, three hundred sixty-five (365) days a year.
  - 3) Technical support for the online data management and reporting system.
  - 4) Qualified personnel familiar with all aspects of this MSA.
  - 5) Dedicated resources necessary to ensure effective and efficient service under this MSA.
- E. Contractor shall provide live customer service/staffing for service any time outside of normal business hours, i.e., evenings, weekends, State holidays, etc. on twenty-four (24) hour a day, seven (7) days a week, three hundred sixty-five (365) days a year basis. The after-hours service must have access to the Contractor's system for making Account changes, Fraud submissions, and resolving declines as needed.
- F. Contractor shall provide alternate staffing support, communicated to STP in advance for scheduled and unscheduled absences of the dedicated Account Manager(s) and Account Representative(s).
- G. Contractor shall provide a technical Account Specialist(s) to assist in handling missing/unidentified payments, and other payment investigations. This individual shall also provide support services for payment system reconciliation and reporting.
- H. Contractor shall provide at least one (1) Technical Consultant or Payment Solution Consultant to coordinate and support Virtual Accounts. This includes but is not limited to assisting with Account implementations, declines, merchant outreach and training, particularly with MCC assignments and authorizations.

- I. Contractor shall provide and make available to STP an issue tracking system to report and track issues and have an established escalation process to meet the needs of all User Agencies.
- J. Contractor shall notify STP in writing within fourteen (14) calendar days of an Account Manager and/or Account Representative change and provide STP with at least one (1) replacement candidate that will meet or exceed the experience and skill level of the Account Manager and/or Account Representative being replaced.
  - 1) The state shall not compensate the Contractor for any time or effort required to prepare the new Account Manager and/or Account Representative for work related to this MSA.
  - 2) The state, for cause, reserves the right to require the Contractor to replace an assigned Account Manager and/or Account Representative at any time. The state will notify the Contractor in writing when exercising that right, providing the Contractor with the cause. The Contractor, within fourteen (14) calendar days of such notification, shall provide a replacement candidate that meets or exceeds the experience and skill level of the Account Manager and/or Account Representative being replaced.

## **21. SUBCONTRACTORS**

- A. Nothing contained in this MSA or otherwise, shall create any contractual relation between the state and any Subcontractors, and no Subcontractor shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be fully responsible to the state for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by any of the Subcontractors as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its Subcontractors is an independent obligation from the state's obligation to make payments to the Contractor. As a result, the state shall have no obligation to pay or to enforce the payment of any moneys to any Subcontractor.
- B. Subcontractors must be mutually agreed upon between Contractor and STP.
- C. Subcontractors shall comply with all conditions stated in this MSA.
- D. Additional Service Level Agreements (SLAs) may be created based on the nature of work being performed by the Subcontractor.
- E. STP has the right to require a replacement of the Subcontractor at any time.
  - 1) Contractor shall have sixty (60) calendar days from the date of notice given by STP to replace the Subcontractor.

- 2) Contractor shall be responsible for continued coverage of services, and that there is no lapse in service for any existing programs currently in effect by STP.

## **22. SERVICE LEVEL AGREEMENT (SLA)**

- A. Contractor shall allow STP, or a duly authorized representative of STP, to submit performance evaluations and monitor services.
- B. Contractor shall take part with STP in monthly, at minimum, meetings to review performance during the term of this MSA. The performance review meetings are separate from the required bi-annual TPS review meetings.
- C. Contractor shall provide regularly scheduled customer satisfaction surveys including but not limited to the below occurrences:
  - 1) Post-implementation survey for STP to rate the Contractor.
  - 2) Annually to STP to rate the performance of the Contractor.
  - 3) Ongoing for all Program Administrators and Cardholders.
- D. Contractor must have an established escalation plan and process in place to resolve both operational and technical issues promptly.
  - 1) Escalation requests shall be acknowledged in writing within one (1) business day.
  - 2) Continuous updates must be provided in writing to STP and/or the Program Administrator until the issue is resolved.
  - 3) Ongoing service tickets, root cause analyses, and resolutions shall be provided to STP in a reporting format at the performance meetings.
- E. If service levels outlined herein or any other terms of this MSA are not met, STP reserves the right to initiate a corrective action plan to address the issues in a formal setting. Each service level and category listed in this MSA will be considered individually; however, STP may determine the need for action based on the Contractor's overall performance. At each stage of the below escalation process, the Contractor shall effectively communicate a strategy for the escalated issue (e.g., root cause analysis, and resolution, with timeline).
  - 1) Issue will be escalated to the Contractor's Account Representative Manager.
  - 2) Issue will be escalated to the Contractor's Account/Service Manager.
  - 3) Issue will be escalated to the Contractor's Senior Account Manager.

F. Contractor shall meet and support the following, including but not limited to, SLA productivity and service standards:

<b>Service Category</b>	<b>Service Level Agreement</b>
<b>Customer Service</b>	1. Return all calls within 24 hours. 2. Respond to all emails within 48 business hours. 3. Regular correspondence is expected, providing updates to submitter in response to service-related incidents, requests, or inquiries until completed/resolved. 4. Customer service survey satisfaction scores must be a minimum 90% satisfaction rating.
<b>Billing Account/Card Set-Up</b>	1. Confirm receipt of email within 2 business days. 2. Execute required Account Hierarchy within 5 business days after Account template established. 3. Set up billing Account within 4 weeks.
<b>Reporting</b>	1. Customized reports provided within 24 hours of request.
<b>System Availability and Maintenance</b>	1. 99.9% uptime or better for all online systems. 2. Maintenance window notification in writing 72 hours prior to occurrence for all online systems.

**23. ONLINE ACCOUNT MANAGEMENT AND REPORTING**

- A. Contractor shall provide singular, secure, online client portal that acts as an Account management and reporting system. This modern online portal shall:
1. Integrate all Accounts and transactions into a centralized location online.
  2. Allow for uploading and storage to readily access user agreements, documents, messages, information requests, and enrollment forms for each User Agency.
  3. Accurately capture, report, and settle all electronic transactions in a timely manner according to industry standards.
  4. Comply with all applicable technical and functional performance criteria, as required by state and federal law, mandated by state policy, and determined by User Agencies.
- B. Routine system upgrades should be performed outside of normal business operating hours (e.g., weekends, or before 6:00 a.m. and after 7:00 p.m. (PT) Monday through Friday).

- C. Online systems shall provide access to data and reporting to any individual that STP has appropriately cleared with a requirement to access the specified information system and/or report for performing or assisting in a lawful government purpose.
- D. The Account management system shall provide or enable, at minimum:
- 1) Real-time data available twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.
  - 2) Travel administration and Account management including but not limited to, Account balances, limits, charges, declined transactions, spend history, accounting codes and demographics.
  - 3) Transactional data review, collection, and management.
  - 4) Multiple program Hierarchy levels (at least a minimum of seven).
  - 5) Establish roles, access, permission controls and authority levels for multiple user types.
  - 6) Unlock system access and reset User IDs and passwords.
  - 7) Card Application, registration, and Account/card updates.
  - 8) Online Statement access.
- E. The reporting system shall provide or enable, at minimum:
- 1) Ad Hoc reporting.
  - 2) Format types, including but not limited to, CSV, Excel, and PDF.
  - 3) Drill down capabilities for accounting/budget/project codes and other enhanced data (custom data fields).
  - 4) Integration with an open Application Programming Interface (API) connection of a Customer Relationship Management (CRM) technology as designated by STP.
  - 5) Exporting capabilities where files can be automatically exported into HR/Payroll systems and/or other back-office systems.
  - 6) Multiple user roles and permissions that allow access to be controlled by a specific role and/or organizational unit.
  - 7) Data retention for a period no less than seven (7) years for all reporting

spend and volume.

- 8) Multi-factor authentication and reporting to show who accessed or viewed sensitive data.
- 9) Business Intelligence (BI) analytics component capable of generating visual and manipulable representations such as custom dashboards, graphs, diagrams, and charts specific to selected data sets.
- 10) Level I, Level II, and Level III transaction data providing specific line-item details at the time of a card transaction beyond what is required for consumer card transactions.

F. Contractor shall provide the following reports upon request, and at regularly defined intervals including but not limited to, daily, weekly, bi-weekly, monthly, quarterly, bi-annually, and annually.

G. STP reserves the right to request additional reporting information during the term of this MSA. Contractor will work with STP and the User Agencies to provide requested reports within the requested timeframes.

Report Name	Description
<b>Account History</b>	Identify the history of changes made to an Account including changes to spending and single purchase limits, dates of changes, previous and current limits, and any additions/removals of MCCs, along with associated user credentials.
<b>Account Reconciliation</b>	Account payment details of the total number of purchases made including but not limited to date, merchant's name, amount, authorization number, location and for any credits or debits for the period. Any applicable fees, including interest or late payment charges.
<b>Cardholder Activity</b>	List of all cards issued including name of Cardholder, card number, expiry date, limit, and any other information that the Contractor may have.
<b>Cardholder Listing</b>	List of all active, cancelled, and closed cards (status) with card information.
<b>Credit Limit</b>	Total credit limit information, both allocated and available, including monthly limits and overall credit limits.
<b>Declined Transactions/Reasons</b>	Details of declined transaction authorizations along with related Account and merchant information for a specific time period and includes details such as declined date and time, requested (declined amount), transaction method, number and frequency of declined transactions including MCC, merchant name(s), etc.

Report Name	Description
<b>Delinquency</b>	Any accounts or cards with Past Due balances greater than 30 calendar days, balance owed, length of time Past Due in 30+, 60+, 90+, 120+, 150+ and 180+ Past Due day buckets. Provides details on Accounts in delinquency accounts by hierarchy.
<b>Hierarchy</b>	Organizational Hierarchy by User Agency type, including at a minimum, User Agency name, unique identifiers, and Hierarchy levels.
<b>Program Administrator Listing</b>	List of all Program Administrators, and contact information, sortable by department, Hierarchy, card type, and Account status. Include at a minimum User Agency name, User Agency type, contact name, email, and phone number.
<b>Prompt Payment</b>	Prompt payment (rebate) containing at a minimum, but not limited to User Agency name, monthly and yearly volume sales, average days to pay, calculated incentive share, Charge Offs, total actual incentive share for each agency, total actual incentive share paid to STP, total number of transactions and number of Accounts.
<b>Rebate</b>	Incentive share (rebate) containing at a minimum, but not limited to User Agency name, monthly and yearly volume sales, average days to pay, calculated incentive share, Charge Offs, total actual incentive share, total number of transactions and number of Accounts.
<b>Industry Spend/Volume</b>	Sortable by, at minimum, merchant, department, Hierarchy, date range, industry, total, providing comparative reference from historical data, and providing forecasting.
<b>System User List</b>	Identify users and Account status information within an organization, identifying all individuals with access and their current user status (activated, locked, etc.).
<b>Total Spend Summary</b>	Total spend for all transactions with a breakdown by MCC.
<b>Transaction</b>	Transaction detail and spend details for all cards including merchant details, MCC, total transaction amount, average transaction amount, and transaction count.
<b>Vendor Details</b>	Summary of top vendors providing total spend and transaction volume.

**24. STATEMENTS AND PAYMENT TERMS**

A. STP shall identify the Billing Cycle timeframe for all User Agencies.



- B. Contractor shall provide a monthly electronic Statement to each Cardholder and/or Program Administrator for each User Agency that indicates the outstanding balance, amount due and the payment date. In addition, the Statement shall show an itemized, accurate list of current purchases, payments, and credits, where applicable.
- C. Contractor shall enable Cardholders and Program Administrators to access their monthly online Statements as well as export the Statement into Excel. If necessary to retrieve Statements, STP shall provide each Program Administrator or other authorized Cardholder a secure encrypted access to the Contractor's website to access and view electronic Account Statements.
- D. Each transaction is billed directly to a central Account. Some User Agencies may require multiple and/or separate Account Statements at the conclusion of each Billing Cycle, as specified by the Program Administrator. The Contractor's systems shall be flexible enough to meet the needs of varying ordering systems in use by different User Agencies.
- E. Contractor shall make available system-generated email reminder capabilities to notify users of Statement download (online Statement enrollment), and all other payment-related alerts.
- F. If the User Agency does not submit payment in accordance with Exhibit B, Section 1.A, then the Account is delinquent.
- G. Contractor shall have an established collection process for delinquent Accounts upon mutual agreement between STP and the Contractor, including but not limited to email notifications when an Account/card has gone delinquent.
- H. Contractor shall notify STP and/or the User Agency before taking any action, such as closing an Account, on any User Agency's delinquent Accounts.
- I. Contractor shall suspend or cancel payment/card Accounts as specified by STP including, but not limited to:
  - 1) Suspending any Account that is delinquent for a period exceeding ninety (90) calendar days from the Billing Cycle close date.
  - 2) Cancelling any Account that is delinquent for a period exceeding one hundred eighty (180) calendar days from the Billing Cycle close date.
    - a) If an Account remains unpaid for more than one hundred eighty (180) calendar days after the Billing Cycle close date, the Contractor may "Charge Off" the outstanding balance and deduct it from STP's rebate.

- b) However, if a User Agency ends up paying the outstanding balance after the "Charge Off" period, then the Contractor shall waive the deduction from STP's rebate any payments received after the "Charge Off" period.

## **25. DATA CAPTURE CAPABILITIES AT POINT-OF-SALE INFORMATION**

- A. Contractor must have the ability to capture and display transaction data as made available from the merchant, as well as overall card program information.
- B. System must capture and display transaction data, including Levels I-III specifications as provided by merchants.
- C. Data Capture capabilities must include variable and flexible data fields.
- D. Contractor shall use a secure method such as Secure File Transfer Protocol (SFTP) or comparable method, as required by the User Agency, to automate the exchange of files, reports, and documents, i.e., an Enterprise Resource Planning (ERP) System.

## **26. TRAINING**

- A. Prior to the "Go Live" date of this MSA, the Contractor shall provide comprehensive training to STP and User Agency Program Administrators to ensure a smooth and seamless transition, training schedule, refresher training, new product enhancements, updates on processes and procedures, additional training materials, etc.
- B. Contractor shall provide on-demand and/or pre-recorded training as needed for the following modules, at minimum:
  - 1) Program Administrator enrollment/setup.
  - 2) Card ordering, issuance, and activation.
  - 3) Card administration and maintenance.
  - 4) Account management and reconciliation.
  - 5) Security requirements and Fraud prevention/detection.
  - 6) Creating and using reports.
- C. Contractor shall provide bi-monthly training, at a minimum, for all User Agencies and new participating User Agencies throughout the term of this MSA. Each User Agency may have additional training requirements including, at a minimum:
  - 1) Online web-based training.

- 2) Onsite training.
  - 3) Onsite and/or web-based user group forums and workshops. Custom user reference guides and related materials, including periodic updates and notifications.
- D. Contractor shall provide STP and each User Agency with customized user manuals and job aids related to this MSA at no additional cost to the state. Sufficient job aids or user manuals are to be kept current. For example, if there is a software upgrade, the trainings and job aids shall be updated accordingly. Updates to job aids and user manuals must be proactively communicated to STP.
- E. Contractor's job aids and user manuals shall be professionally developed and should include at minimum: PowerPoints, online videos, newsletters, and other instructional guides (either electronic or print materials), at the request of STP and User Agencies.
- F. Contractor shall provide training on any future technology implemented by the Contractor (e.g., new portals, dashboards, or data repositories).
- G. Contractor shall provide two (2) hours of information security and privacy awareness training annually to STP and to all Contractor staff prior to providing any support under this MSA.
- H. Contractor staff shall complete DGS' Information Security and Privacy Awareness training annually in accordance with SAM section 5305 and 5320, National Institute of Standards and Technology (NIST) Standards and GC section 11549.3. Subjects shall include but are not limited to the following:
- 1) Personal Health Information (PHI)
  - 2) Federal Tax Information (FTI)
  - 3) Health Insurance Portability and Accountability Act (HIPAA)
  - 4) Information security essentials
  - 5) Basic privacy awareness
  - 6) Data protection and destruction
  - 7) Incident reporting
- I. Contractor staff shall complete DGS' Information Security and Privacy Awareness training prior to receiving any working assignment for STP.

- J. Contractor staff shall complete DGS' Information Security and Privacy Awareness training prior to obtaining access to any physical or digital DGS network and information assets.
- K. Contractor shall retain documentation for all staff supporting STP, confirming the completion of two (2) hours of information security and privacy awareness training annually, and provide it to STP upon request within twenty-four (24) hours.

## **27. CONFIDENTIALITY AND DATA SECURITY**

- A. All financial statistical (e.g. transactions, charges, spending volume or repayment terms), personal, technical and other data and information relating to the State's operation which are designated confidential by the state and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor, including personnel employed by the Contractor and its Subcontractors, from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the state. All data is owned by the state and may be reported to a designated data aggregation service provider. All data must be securely held and accessible per requirements from the California Public Records Act, GC Title 1, Division 7, Chapter 3.5, Article 1.
- B. Contractor must house all data in the United States of America and data shall only be accessed by employees who reside in the United States of America.
- C. Contractor must not use, sell or distribute state information assets to engage in or solicit the performance of any activity that violates laws, regulations, rules, policies, standards and/or other application requirements issues by the federal government, the State of California, or DGS.
- D. Contractor must require all key personnel to complete security awareness training to ensure the anonymity of information and that access to such information is controlled and restricted to authorized personnel only. Contractor must provide updated certification annually to the DGS-PD Contract Administrator, within thirty (30) calendar days from receipt, throughout the term of this MSA.
- E. Contractor shall maintain a secure environment in compliance with Payment Card Industry (PCI) and Data Security Standards (DSS) requirements.
- F. Contractor shall notify STP of any attempt of a data security breach, or who's unencrypted Personally Identifiable Information (PII), was acquired, or believed to have been acquired, by an unauthorized person. PII includes but is not limited to any representation of information that permits the identity of an individual to

whom the information applies to be inferred by either direct or indirect means. In the event of a breach or threatened breach of confidentiality, the state will pursue all available remedies up to and including termination of the MSA.

- G. Contractor shall fully cooperate with the state's efforts to investigate any incident and provide notice to STP, the individual(s) whose data was involved, and to others as required by law or deemed appropriate by the state. STP will not request security access into the Contractor's online system but will instead investigate with Contractor's support and by using their user access to the system.
- H. Contractor shall identify and repair software bugs or other security gaps that may expose state data to risk of unauthorized access or use.
- I. Contractor shall create, publish, maintain, and deploy disaster recovery and business continuity plans.
- J. Contractor agrees that the state or its designated representative shall have the right to review and copy any records and supporting documentation directly pertaining to performance of this MSA.
- K. Contractor agrees to maintain such records for audit purposes, for a minimum of seven (7) years after final payment, unless a longer period of records retention is stipulated.

## **28. MARKETING**

- A. In cooperation with STP, the Contractor shall co-develop and help implement marketing campaigns and business development plans to bring on new User Agencies to STP, STP will have final approval, including but not limited to:
  - 1) Obtaining contact data for key decision makers annually, at a minimum, to market STP services to non-participating public California agencies.
  - 2) Providing marketing materials, brochures and flyers, and tradeshow collateral with STP-related program highlights.
  - 3) Creating and updating virtual marketing collateral, videos, and presentations on behalf of STP.
  - 4) Creating and updating demo videos with STP-related program highlights.
  - 5) Facilitating and attending cooperative seminars, workshops, conferences, and individual meetings requiring travel within California with STP and STP-contracted vendors presenting the benefits of STP to potential new User Agencies.

- B. Contractor shall not market STP or its services independently from STP without explicit written permission from STP.
- C. Contractor shall notify STP any time there is an opportunity to market to a potentially eligible new User Agency.

## **29. NEWS RELEASE**

- A. Contractor shall not conduct media or independent interviews related to on-going business related to the contract without STP receiving seventy-two (72) hours' written notice and consenting to the language.

## **30. HEALTH AND SAFETY**

- A. Contractor and all Subcontractors shall abide by all applicable health and safety mandates issued by federal, state, and local governments and/or public health officers as well as those issued by DGS, and worksite specific mandates, to the extent that a governing body has jurisdiction over the workplace. If multiple mandates exist, the Contractor and Subcontractors shall abide by the most restrictive mandate.
- B. Costs associated with adhering to health and safety mandates are the responsibility of the Contractor. Contractor is responsible for the tracking and compliance of health and safety mandates and may be audited upon at least seven (7) days' written notice.

## **31. ELECTRONIC AND INFORMATION TECHNOLOGY ACCESSIBILITY**

- A. Contractor's online systems shall be designed and implemented to comply with all applicable technical and functional performance criteria, as required by state and federal law, mandated by state policy, and determined by, including but not limited to the following:
  - 1) Government Code (GC) Section 11135 prohibits discrimination based on sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation, under any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.
  - 2) GC Section 7405(a) requires, "In order to improve accessibility of existing technology, and therefore increase the successful employment of individuals with disabilities, particularly blind and visually impaired and deaf and hard-of-hearing persons, state government entities, in

- developing, procuring, maintaining, or using electronic or information technology, either indirectly or through the use of state funds by other entities, shall comply with the accessibility requirements of Section 508 of the federal Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations". The Revised 508 Standards incorporate by reference the Web Content Accessibility Guidelines (WCAG) 2.0 Level AA Success Criteria and apply the WCAG 2.0 Level AA success criteria and conformance requirements to both web and non-web electronic content.
- 3) GC Section 7405(b) requires, "Any entity that contracts with a state or local entity subject to Section 11135 for the provision of electronic or information technology or for the provision of related services shall agree to respond to, and resolve any complaint regarding accessibility of, its products or services that is brought to the attention of the entity".
  - 4) Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. 12101 et seq.) prohibits discrimination against qualified individuals with disabilities in all programs, activities, and services of public entities; therefore, web-based applications and other electronic and information technology must comply with the accessibility standards of the WCAG 2.0 Level AA.
  - 5) Section 4833 of the State Administrative Manual directs, "Agencies/state entities, as well as any contractors working for them, are responsible for ensuring that their Agency/state entity public web sites are accessible to both the general public and that their internal Agency/state entity electronic and IT systems are accessible by state employees, including persons with disabilities".
- B. Upon delivery and prior to each subsequent release, the Contractor shall ensure that the online systems comply with all applicable technical and functional performance criteria, as required by Exhibit A, Section 31.A above. Upon written request, Contractor shall provide STP certification of such compliance.
  - C. Contractor shall include accessibility testing in the Software Development Life Cycle (SDLC) for all releases and certify, in its release notes, that the release complies with the accessibility standards specified in Section 31.A above.
  - D. Contractor shall, for each product release, conduct a regression test for conformance to accessibility standards specified in 31.A above.

- E. Contractor shall conduct required accessibility testing using commonly available assistive technology products, including but not limited to, screen reading software, screen magnification software, braille displays, and speech recognition software. If testing of any assistive technology fails on the launch of a new release or software already in production, Contractor must notify STP in writing within five (5) business days of the failed test.
- F. Contractor shall incorporate new and updated accessibility standards as required by state and federal law, mandated by state policy, and determined by customer agencies, in compliance with GC Sections 7405 and 11135, and WCAG 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criterion.
- G. All electronic documentation, training and instructional materials, and authentication functionality must also meet the applicable accessibility standards specified in Section 31.A above.
- H. Contractor shall ensure, through design and implementation of accessibility features as required by Section 508 of the Federal Rehabilitation Act of 1973 and specified in Web Content Accessibility Guidelines (WCAG) 2.x, that employees with disabilities experience comparable access to the system as is provided to employees without disabilities. Employees with disabilities must be able to independently acquire the same information as individuals who do not have disabilities.

### **32. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS**

- A. On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the state determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this MSA. The state shall provide Contractor advance written notice of such termination, allowing Contractor at least thirty (30) calendar days to provide a written response. Termination shall be at the sole discretion of the state.

### **33. END OF MSA TRANSITION**

- A. Contractor agrees that at the expiration of this MSA, should the state conduct another procurement and award a new MSA, the Contractor will work with STP



to ensure that an efficient and effective transition takes place within nine (9) months.

- B. Contractor is required to develop and maintain a transition plan, subject to the approval of STP, that shall provide information on the Contractor's strategy for transitioning User Agencies to a potential new Contractor, ensuring that an efficient and effective transition takes place.
  - 1) The transition plan is to include, at a minimum, the following information to address how the Contractor will onboard User Agencies off the current Agreement to the new Agreement.
    - a) The anticipated timeframe for conversion of new and/or existing Card Applications.
- C. Contractor shall provide a dedicated Account Manager who will be the primary point of contact to address issues during rollout and beyond.
- D. Contractors shall cooperate fully if for any reason there is a change in Contractor due to contract termination or expiration.
- E. Contractors shall, upon written notice, furnish phase-in, phase-out services for up to sixty (60) days prior to the expiration of this MSA. Contractor shall provide sufficient, experienced staff during the phase-in, phase-out period to ensure that there is no reduction in the quality of services provided under this MSA.
- F. Contractor agrees that all charge activity under this MSA shall be completed on or before the expiration date of this MSA.
- G. Contractor agrees that if an Account reconciliation occurs after the expiration date or if this MSA is terminated, the Contractor agrees to work with STP to resolve all credit transactions.
- H. Contractor agrees that at the expiration of this MSA, the Contractor must cancel all outstanding cards with future expiration dates.
- I. Contractor agrees to provide customer and Account close-out support after expiration or termination of this MSA.
- J. Contractor agrees, that at the end of the phase-out period or at the termination of this MSA, to destroy all state data in its possession.

## **EXHIBIT B – BUDGET DETAIL AND PAYMENT PROVISIONS**

### **1. PAYMENTS**

- A. The full amount of each User Agency's monthly balance or Billing Cycle balance, except for reported Fraud or Disputed Items, will be made in accordance with the Prompt Payment Act. Refer to Exhibit B, Section 3.
- B. User Agencies will be financially responsible to the Contractor for Centrally Billed Accounts issued directly to the User Agency.
- C. Contractor shall establish an overnight/rush delivery address/payment process separate from the regular remittance address.
- D. Individually Billed, Individual Liability Accounts are issued based on the individual's credit and will be the sole responsibility of the individual employee for all charges incurred.
- E. Government Code Section 927 for prompt payment does not apply to Individually Billed, Individual Liability cards issued directly to the individual. The full amount of the Individual Liability Account monthly balance for each Billing Cycle, except for reported Fraud or Disputed Items, will be made within thirty (30) days of receipt of the statement. Late payment fees will be assessed in accordance with Exhibit B, Section 5.C.

### **2. INVOICING/STATEMENT**

- A. The User Agency will pay the Contractor, upon receipt and approval of invoices/Statements for actual expenditures incurred. The DGS is not responsible for and does not accept payment liability of individual Cardholders or User Agencies.
- B. The Cardholder will notify Contractor of any Disputed Item on a submitted invoice in accordance with this Agreement and the Card Network operating rules and regulations. User Agency shall notify Contractor of all disputes regarding Charges or billings for the Program within sixty (60) days of the Statement date, identifying the specific items and the basis for such dispute.
- C. Invoices/Statements will be made available monthly to each User Agency. The invoice/Statement shall include, at minimum:
  - 1) Authorized User Agency's name
  - 2) Date of Statement

- 3) Time period covered by the invoice/Statement
- 4) Clearly identify the financial institution and remittance address
- 5) At minimum, the last four digits of the Account number
- 6) All deposits and withdrawal transactions
- 7) All purchase and sale transactions
- 8) The ending Account balance
- 9) Any applicable chargeback and adjustment (including credits)
- 10) Contact information for billing inquiries such as a telephone number, fax number and address

### **3. PROMPT PAYMENT CLAUSE**

- A. Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

### **4. CONTRACTOR OVERPAYMENTS**

- A. If an overpayment has been made to the Contractor, the User Agency will seek recovery immediately upon discovery of the overpayment by (a) requesting a refund of the overpayment amount, or (b) the Contractor will reflect the amount of the excess as a credit against future charges on the subject Account. Contractor shall provide requested refunds within thirty (30) calendar days from the date of notice.

### **5. FEES**

- A. Contractor shall not charge any fees, except for Foreign Transaction Fee and Individually Billed, Individual Liability Account Late Payment Fee listed on Exhibit B.1, Rebates/Incentives Sheet.
- B. Foreign Transaction Fee:
  - 1) If an Account is used for purchases in a country other than the United States, the statement shall reflect the conversion of transactions into US Dollars that occurred in a different currency.
  - 2) If an Account is used for Charges in a currency other than the billing currency, the amount shown on the Statement for that Charge will be shown as a single amount that is the aggregate of (i) the amount of the Charge converted, in each case at the applicable exchange rate to the billing

currency from the currency in which the Charge was made and (ii) the "Foreign Transaction Fee" on such amount as set forth in Exhibit B.1.

C. Individually Billed, Individual Liability Accounts Late Payment Fees:

- 1) Individually Billed, Individual Liability Accounts are considered delinquent at sixty (60) calendar days past the due date. An individual liability late payment fee will be accessed on the outstanding balance if payment is not received by day sixty (60).

## EXHIBIT B.1 – REBATES/INCENTIVES SHEET

**1. Revenue Share Total Spend Incentive**

Total Annual Spend Volume	Basis Points (BP)
Under \$50,000,000.00	157
\$50,000,001.00 - \$100,000,000.00	162
\$100,000,001.00 - \$150,000,000.00	170
\$150,000,001.00 - \$200,000,000.00	172
\$200,000,001.00 - \$250,000,000.00	174
\$250,000,001.00 - \$300,000,000.00	175
Over \$300,000,000.00	176

**2. Prompt Payment Incentive Share**

Client Held Days	Basis Points (BP)
45	0
44	1
43	2
42	3
41	4
40	5
39	6
38	7
37	8
36	9
35	10
34	11
33	12
32	13
31	14
30	15
29	16
28	17
27	18
26	19
25	20
24	21
23	22
22	23

<b>Client Held Days</b>	<b>Basis Points (BP)</b>
21	24
20	25
19	26
18	27
17	28
16	29
15	30
14	31
13	32
12	33
11	34
10	35
9	36
8	37
7	38
6	39
5	40
4	41
3	42
2	43
1	44
0	45

**3. Additional Fee Types**

<b>Fee Type</b>	<b>Percentage Rate</b>
A. Foreign Transaction Fee (Exhibit B, Section 5.B)	1%
B. Individually Billed, Individual Liability Account, Late Payment Fee (Exhibit B, Section 5.C)	2.5%

## **EXHIBIT C – GENERAL TERMS AND CONDITIONS (GTC 04/2017)**

This document can be accessed at the [Office of Legal Services](https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language) website  
(<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>)

## EXHIBIT D – INSURANCE REQUIREMENTS

### 1. GENERAL PROVISIONS APPLYING TO ALL POLICIES

- A. Coverage Term – Coverage needs to be in force for the complete term of the MSA. If insurance expires during the term of the MSA, a new certificate must be received by the DGS-PD at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply to the original terms of the MSA.
- B. Policy Cancellation or Termination & Notice of Non-Renewal – Contractor is responsible to notify the DGS-PD within five (5) business days before the effective date of any cancellation, non-renewal or material change that affects required insurance coverage. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the DGS-PD may, in addition to any other remedies it may have, terminate this MSA upon the occurrence of such event, subject to the provisions of this MSA.
- C. Deductible – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.
- D. Primary Clause – Any required General Liability or Automobile Liability insurance contained in this MSA shall be primary, and not excess or contributory, to any other insurance carried by the State.
- E. Insurance Carrier Required Rating All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management – A- or better and financial size category of VII or better to the latest edition of the A.M. Best Key Rating Guide. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- F. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- G. Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor's obligations under the MSA.
- H. Available Coverages/Limits - All coverage and limits available to the Contractor shall also be available and applicable to the State.
- I. Subcontractors - In the case of Contractor utilization of Subcontractors to complete the contracted scope of work, Contractor shall include all Subcontractors as insureds under Contractor's insurance or supply evidence of insurance to the State equal to policies, coverages and limits required of Contractor.



## 2. INSURANCE REQUIREMENTS

- A. Commercial General Liability – Contractor shall maintain general liability on an occurrence form with limits not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage liability combined with a two million dollars (\$2,000,000) annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

The policy must include The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under the MSA.

This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.

- B. Automobile Liability – By signing this MSA, the Contractor certifies that the Contractor and any employees, Subcontractors or servants possess valid automobile coverage in accordance with California Vehicle Code Sections 16450 to 16457, inclusive. The State reserves the right to request proof at any time.
- C. Workers Compensation and Employers Liability – Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the MSA. Employer's liability limits of one million dollars (\$1,000,000) are required. The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work done under contract/permit with the State.

A Waiver of Subrogation or Right to Recover endorsement in favor of the State must be attached to the certificate.

- D. Cyber Liability insurance - Contractor shall maintain Cyber Liability with limits of not less than one million dollars (\$1,000,000) covering claims involving notification costs, privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, and alteration of electronic information, extortion, and network security.

- E. Certificate of Insurance

The Certificate(s) of Insurance will provide the above listed coverages and

endorsements and the Certificate Holder will read:

Department of General Services  
Office of Fleet and Asset Management  
1700 National Drive  
Sacramento, CA 95834

## **EXHIBIT E – ADDITIONAL PROVISIONS**

### **1. CREDIT PROVISIONS**

#### **A. Financial Information**

- 1) State Agencies:  
The state of California will be credit qualified as a single entity upon execution of the MSA. Individual state agencies will not be required to credit qualify on their own.
- 2) Local Agencies:  
Local agencies shall provide its fiscal year-end financial statements as soon as available, but not later than 120 days following the end of User Agency's fiscal year. User Agency shall provide additional information, upon request by Contractor, regarding the business, operations, affairs, and financial condition of User Agency, including reviews or audits of fiscal year-end financials performed by certified public accountants and User Agency prepared quarterly financial statements. If satisfactory financial information can be found on a website, Contractor will not require the User Agency to provide financial information that Contractor can obtain on its own.
- 3) Individual Liability Cards are based on individual's credit and are independently qualified. Individuals will provide information as required by the Contractor.

#### **B. Credit Controls**

Contractor, at its sole discretion may revise any credit limits or controls associated with a card program. Contractor will provide contemporaneous notice to User Agency and STP of any decrease in a program level credit limit. User Agency shall make a payment to Contractor in accordance with Exhibit B sufficient to reduce the Obligations to an amount equal to or less than the revised credit limit.

### **2. PRODUCTS**

#### **A. Account Liability**

##### **1) Mandatory Notification**

User Agency shall immediately notify Contractor of any (i) termination of employment or contractor status of any Cardholder from the Program and (ii) any actual or suspected lost, stolen, or compromised Account. User Agency shall take all necessary action through the available on-line tools under the MSA to terminate the Accounts of any party that would not qualify for the issuance of an Account as set forth in Exhibit A, Section 15.I. Failure to provide timely notification, in accordance with this section, may result in the liability of User Agency or Cardholder to pay for transactions. Neither User

Agency nor Cardholder will be held liable for fraudulent charges that are promptly reported to U.S. Bank Customer Service, or any fraudulent charge fees related to promptly reported lost or stolen cards.

**2) Trailing Transactions**

Upon cancellation of an Account, or termination of a User Agency Agreement, User Agency shall cancel the billing of all recurring transactions to an Account.

**3) Merchant Category Codes**

Contractor is not liable for Charges declined or approved, as a result of inaccurate merchant category codes used by a merchant.

**3. CONFIDENTIALITY**

**A. U.S. Bank Confidential Information**

U.S. Bank, STP, and User Agency agree that the TPS Program is a unique service involving the exchange of proprietary and/or confidential information between the parties. User Agency agrees that the TPS Program reports, manuals, documentation, and related materials shall be circulated as necessary for STP and User Agency to manage the TPS Program and/or use such information in connection with User Agency's business. Notwithstanding the foregoing, such records may be subject to disclosure in accordance with the State of California or User Agency public records laws. Additionally, DGS may post certain materials on the STP public website in collaboration with Contractor to the extent necessary to manage the TPS Program.

**B. User Agency Confidential Information**

U.S. Bank and User Agency agree that any non-public financial information of User Agency and any non-public data regarding User Agency Accounts, transactions, charges, spending volume or repayment terms is confidential information of User Agency and such information shall be circulated by U.S. Bank only to the extent necessary for U.S. Bank to offer the TPS Program.

**C. Contractor Exceptions**

Contractor may (i) use and disclose User Agency's confidential information to the extent necessary to maintain compliance with Card Network operating rules and regulations; or (ii) use and disclose non-identifying data to any entity or third party to the extent that such data is aggregated, summarized, or otherwise presented in a manner that does not directly or indirectly identify such data as attributable to User Agency, its affiliates, or Cardholders; or (iii) use and disclose confidential information as required by law.

**D. Third Parties**

Portions of User Agency's Account and transaction data are captured by third parties, including, but not limited to, the Card Network, third-party service

providers, merchants, and merchant processors during the course of normal business operations. All such third parties shall not be considered an agent of Contractor for purposes of this Exhibit E, Section 3.

**E. Disposition of Confidential Information**

U.S. Bank, STP and User Agency are entitled to retain confidential information for archival purposes as required in accordance with applicable law, rule, or regulations.

**4. DEFAULT**

A. Contractor has the right to send the User Agency a written notice specifying a default in the following sections 1-2 and providing the User Agency an opportunity to cure the breach within a period of time no less than 30 calendar days ("Cure Period"). If the breach is not cured within the Cure Period as stated in the notice, then Contractor has the right to terminate any card product and/or ancillary service provided to a User Agency, or terminate the User Agency's User Agreement in its entirety, by written notice to the User Agency.

- 1) Material breach of any term or condition by User Agency.
- 2) Violations of economic sanctions laws, anti-money laundering laws, and trade restrictions.

B. Contractor has the right to terminate a User Agency's User Agreement, in its entirety and effective immediately if any of the following events occur:

- 1) Dissolution or liquidation of the User Agency; or
- 2) Insolvency of, the filing of a bankruptcy or insolvency proceeding with respect to, or the appointment of a receiver or trustee for the benefit of creditors of the User Agency, or the User Agency enters into any other similar proceeding or arrangement for the general benefit of its creditors.

C. Upon termination, all applicable cards, accounts, and/or related services shall be deemed canceled upon a stated termination date as referenced in the termination notification. Upon termination, User Agency shall instruct all Cardholders to destroy their cards and/or any records of account numbers and Contractor shall terminate all applicable services thereunder upon a stated termination date. User Agency shall remain liable for all debts arising from the use of a card and/or account prior to the termination date.

D. Any delay or failure on the part of Contractor to take action upon the occurrence of a User Agency default shall not constitute a course of dealing on the part of Contractor, shall not constitute a waiver of such User Agency default or prevent Contractor from taking action on such User Agency default or any other User Agency default in the future. For the avoidance of doubt, the adjustment of the credit limits or controls described in Exhibit E, Section 1 (including requiring

security or prefunding) are independent rights and are not dependent upon the existence of a User Agency default.

## **5. SURVIVAL**

Any provision of the MSA that expressly or by implication is intended to come into or continue in force on or after termination of the MSA shall survive termination and shall remain in full force and effect.

## **6. INTELLECTUAL PROPERTY**

### **A. Intellectual Property**

DGS, User Agency, and U.S. Bank each recognizes that it has no right, title or interest, proprietary or otherwise, in or to the name or any logo, or Intellectual Property owned or licensed by the other. DGS, User Agency, and U.S. Bank each agree that, without prior written consent of the other, it shall not use the name, any logo, or Intellectual Property owned or licensed by the other.

### **B. Use License**

#### **1) License Grant**

Subject to User Agency's compliance with this Exhibit E, Section 6, Contractor grants User Agency a non-exclusive, non-transferrable license to use and access Accounts on Contractor's or Contractor's third-party licensor's software.

#### **2) Ownership**

Contractor, or its third-party licensors, retains all rights, title, and ownership of the Accounts (but not the Account data) and software, any documentation provided with the Accounts or software, and any works derived from the software or Contractor or its third-party licensors' Intellectual Property. Contractor asserts that the 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 property rights not granted in this Exhibit E, Section 6 are reserved by Contractor or its third-party licensors.

#### **3) Updates**

Contractor or its third-party licensors may, from time to time, provide updates of the software. The updates replace the software initially licensed to User Agency, and do not constitute an additional license to use the software. Contractor is required to comply with Exhibit A, Section 31 for updates.

#### **4) Restrictions**

Neither STP nor User Agency may (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 Contractor; (iv) disclose part or all of the software to any third parties except as explicitly authorized by Contractor; (v) use all or part of the software to advise, consult, or otherwise assist any third parties except as explicitly authorized by Contractor; and (vi) otherwise use the software in any manner that would compete in any way with Contractor's business.

## **7. REPRESENTATIONS AND WARRANTIES**

### **A. User Agency Representations and Warranties**

User Agency represents and warrants, at all times during the MSA, that:

- 1) User Agency shall use Accounts, and shall instruct its Cardholders to use Accounts, solely for User Agency's or User Agency's business purposes;
- 2) The material information provided by User Agency or User Agency to Contractor is true, complete, and accurate; and
- 3) The consent or approval of no third party, including, without limitation, a lender, is required with respect to the execution of the MSA, or if any such third-party consent or approval is required, User Agency has obtained any and all such consents or approvals.

### **B. Transactional Messages**

As it relates to Transactional Messages referred to in this clause, User Agency represents that it has received any and all necessary consents from Cardholders prior to providing Contractor with any Cardholder PII for Centrally Billed Accounts. All communication and notifications regarding Centrally Billed Accounts shall be directed to the User Agency Program Administrator. Contractor or its third-party service provider may desire to send communications, including autodialed, pre-recorded or artificial voice messages, SMS text messages, and/or other electronic messages to Cardholders related to servicing User Agency's Accounts. Examples of such communications include reminding Cardholders that a payment has not been received by Contractor, or to provide other information related to the Cardholder's Account such as potential or actual fraud, identity theft, data security alerts or other transactional messages (collectively, "**Transactional Messages**"). Upon Individual Cardholder requesting an Account or anytime thereafter, Contractor may seek consent from Individual Billed Cardholder to receive Transactional Messages from Contractor or its third-party service provider to the telephone number(s) (landline or wireless) or email addresses provided by User Agency or such Cardholder to Contractor in connection with establishing the Account for the Cardholder, whether or not such messages result in charges imposed by a communications provider.

- C. Except as expressly provided herein, Contractor makes no warranties, express or implied, in law or in fact, including, without limitation, the implied warranties of fitness for a particular purpose and of merchantability, either to User Agency or to any other person or third party, with respect to the Program provided by Contractor or its representatives, or with respect to Contractor's Account management software made available by Contractor to User Agency or any other person for its use, in connection with the MSA and any services thereunder.

## **8. MISCELLANEOUS PROVISIONS**

### **A. Compliance with Applicable Statutes and Regulations**

Contractor will maintain compliance with all statutes and regulations applicable to the products and services contemplated under the Agreement, including all applicable economic sanctions laws, anti-money laundering laws, and trade restrictions, and U.S. Bank's policies related thereto. U.S. Bank may require identification information for User Agency and Cardholders. User Agency and Cardholders shall promptly provide any such required identification information to U.S. Bank.

### **B. Additional Regulations**

User Agency shall comply with, and shall cause its User Agencies, and Cardholders to comply with the following regulations and terms and conditions to the extent applicable to the Program or the products and services provided pursuant to the MSA:

#### **1) Clearing House Operating Regulations**

Any applicable automated clearinghouse operating rules or regulations, including, without limitation, the National Automated Clearing House Association Operating Rules operating rules and guidelines, or any related or successor operating rules.

#### **2) Card Network Operating Regulations**

Card Network operating rules and regulations; and

#### **3) Additional Terms**

Each Cardholder may receive a Cardholder Agreement and/or an Individual Cardmember Agreement that governs the use of the Account. Activation of the Card or Account by the Cardholder and/or use of the Card or Account by the Cardholder constitutes concurrence with the terms and conditions of the Cardholder Agreement and/or an Individual Cardmember Agreement.

User Agencies and/or Cardholders access and use of Contractor's online system may be subject to Access® Online Terms of Use (TOU) terms and conditions of the applicable "click-through" agreement.



However, User Agency and Cardholder shall not be bound by any “click-through” terms and conditions or Cardholder Agreement and/or an Individual Cardmember Agreement terms that provide for (i) the amendment of such agreement without written consent of both parties, (ii) the indemnification of any party; (iii) the governing law or venue requirements, (iv) the waiver of any applicable statute of limitations period, (v) that incorporate any terms or conditions by reference, (vi) any term or condition that conflicts with the terms and conditions of this MSA, (vii) fees, or (viii) liability. The MSA terms and conditions shall prevail and govern in the case of a conflict or inconsistencies between the Access® Online Terms of Use (TOU), Cardholder Agreement, and/or an Individual Cardmember Agreement and the MSA.

Contractor may amend the Access® Online Terms of Use (TOU), Cardholder Agreement and/or an Individual Cardmember Agreement from time to time. Notice of any change will be provided to the STP and User Agency Program Administrator.

**C. No Third-Party Beneficiaries or Claims**

Except as stated in the MSA, with reference to any successors or assigns, any services provided pursuant to the MSA are for the sole and exclusive benefit of User Agency. No provision of the MSA is intended to be a third-party beneficiary contract or to create or vest any third-party beneficiary rights, interests, or privileges in favor of any entity other than Contractor and its affiliates and User Agency.

**D. Cumulative Remedies**

Except as expressly provided elsewhere in the MSA, each party's rights and remedies under the MSA are cumulative and in addition to, not exclusive of or in substitution for, any rights or remedies otherwise available to that party.

**E. Force Majeure and Excusable Delay**

- 1) Contractor is not responsible for delays or failures in performance resulting from acts of God, acts of civil or military authority, fire, flood, strikes, war, epidemics, pandemics, shortage of power, telecommunications or internet service interruptions or other acts or causes reasonably beyond the control of that party. In the event of a force majeure event Contractor will (i) implement its applicable disaster recovery plan to the extent appropriate and practicable; (ii) give the User Agency and STP prompt notice of the occurrence of a force majeure event; (iii) use diligent efforts to re-commence performance as promptly as commercially practicable pursuant to its disaster recovery plan; and (iv) provide periodic updates to User Agency and STP regarding its efforts to re-commence performance, until performance has re-commenced in accordance with the MSA.

- 2) Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the MSA arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include, but are not limited to:
- Acts of God or of the public enemy, and
  - Acts of the federal or State government in either its sovereign or contractual capacity.

If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform.

**F. No Waiver**

No failure or delay by either party to exercise any right, power, or privilege provided under the MSA 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 future exercise of any other right, power, or privilege.

## EXHIBIT F – DEFINITIONS

**DEFINITIONS** - The following definitions will be used for this MSA:

**Account:** Any Account established by Contractor to this MSA in the name of the User Agency and or Cardholders to which debt is charged regardless of whether or not a card is issued in conjunction of such Account.

**Ad Hoc Reporting:** Provides the ability, at a minimum, to access all data elements of the participating User Agencies or Cardholders and transaction records and create a report in html, Excel, PDF and text (ASCII) formats as defined by STP or participating User Agency. The standard commercial practice of creating reports, invoices, and services to meet unique needs of a specific customer.

**Annual Total Spend:** The annual combined total charges of all centrally billed and individual Accounts, less refunds.

**Basis Point (BP):** A unit that is equal to 1/100th of 1%.

**Billing Cycle:** The length of time between the last statement closing date and the next. At the end of a Billing Cycle, transactions from the billing period and previous balances are added together to determine the statement balance.

**Card:** A plastic card, issued to an individual or the User Agency, with an underlying Account that is used for making payments.

**Cardholder:** An individual or department issued a card at the request of the User Agency or STP. The Cardholder holds the primary responsibility for proper usage of the card.

**Card Application:** An online application which allows the Program Administrator and Cardholder to pre-fill forms that facilitates the input and upload of Cardholder data to request the issuance of a card.

**Card Network:** As applicable, one of the following Card Networks whose marks are contained on the cards issued under the MSA: Visa U.S.A. Inc. and Visa International, Inc., MasterCard International Incorporated or such other national card network with respect to which Contractor becomes an issuer during the term of the MSA.

**Centrally Billed Account:** A User Agency billed / User Agency paid card/card-less Account where payments are made directly to the Contractor.

**Chargeback:** A refund or reversal of charge, made by a credit card company, to a Cardholder after the Cardholder successfully disputes an item on their credit card statement.

**Charge:** Any transaction posted to an Account that has a debit value.

**Charge Off:** Debt deemed uncollectable by the Contractor and is subsequently charged/written off. Charge Offs can be deducted from the Total Spend Incentive to STP.

**Client Held Days Payment Performance:** The weighted average File Turn Days during the applicable Rebate Period less 15 days.

**Credit Losses:** Charge amounts not paid by User Agencies within one-hundred eighty (180) days of statement issuance and Charge Off by Contractor, i.e., non-payment due to legal reasons such as bankruptcy or death, delayed payment charges, non-responsive Cardholder, etc. Credit Losses can be deducted from the Revenue Share Incentive to STP.

**Customized Reporting:** Provides the ability for STP, the contract administrator, at a minimum, to access all data elements of the participating User Agencies or Cardholders and transaction records and create a report in html, Excel, and text (ASCII) formats as defined by STP or participating User Agency. The standard commercial practice of creating reports, invoices, and services to meet unique needs of a specific customer. Also known as Ad Hoc Reporting.

**Data Capture:** Level of detail that a merchant passes to the credit card processing network.

- A. Level I – Standard commercial transaction data that includes the total purchase amount, the date of purchase, the merchant category code, merchant's name, city/state, debit/credit indicator, date charge/credit was processed by the Contractor, Contractor processing/transaction reference number for each charge/credit, and other data elements as defined by the Associations or similar entity.
- B. Level II – In addition to Level I data, includes transaction amount, date, tax amount, customer code, merchant postal code, tax identification, merchant minority code and merchant state code. And may include additional data regarding sales tax, customer code, purchase order number, invoice number captured at the point of sale. In most cases, this information is combined with the merchant's Tax ID number, state, and postal code data and is then passed through during settlement.
- C. Level III – Full line-item detail. The data fields required for Level III include those from Level II in addition to other fields, such as traveler's name, vendor, ticket number, invoice date, UNSPC code, product code, item cost, description, quantities, unit of measure, product codes, product descriptions, ship to/from zip codes, freight and duty amounts, order date, discount amount, order number, item extended amount, item tax identification and amount.

**Direct Billed Account:** See Centrally Billed Account.

**Disputed Item:** Refers to charges where validity is being questioned or challenged by the User Agency.

**File Turn Days:** The number of days from the date Contractor funds a Charge to the date of payment, inclusive of the beginning and ending dates.

**Foreign Transaction Fee:** Fee charged when an Account is used for purchases in a country other than the United States.

**Fraud:** Any act of corruption or attempt to cheat the State or its agents, including but not limited to, the use of government charge cards to transact business that is not sanctioned or authorized, not in one's official government capacity, not for the purpose for which the card was issued, or not as part of official government business.

**Go Live Date:** Date, identified by STP, when User Agencies may charge travel and travel-related expenses to payment Accounts under this MSA.

**Hierarchy:** The organizational structure of the charge card program within the agency/organization which is composed of multiple Account levels from the Cardholder to the top level of the agency/organization, to delineate multiple Account levels, naming conventions, and authorization roles.

**Individually Billed, Individual Liability Late Payment Fee:** Fee charged to Individual Cardholder for delinquent payment.

**Intellectual Property:** Any patent rights, inventions, design rights, copyrights, database rights, 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.

**Intellectual Property Rights:** See Intellectual Property.

**Local Agency:** Local government agencies are defined in Public Contract Code Section 10298 (a) (b) and 10299 (b). This includes the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges empowered to expend public funds for the acquisition of products.

**Merchant Category Code (MCC):** A four-digit code that identifies and classifies goods or services offered by a merchant. The code controls where purchases are allowable. The merchant designates their MCC with the applicable bank/association.

**Obligations:** All Charges, fees, and other activity posted to an Account.

**Past Due:** In respect to the statement the total amount of any debt which remains unpaid by participating agency and or Cardholder after the due date specified on the statement.

**Personally Identifiable Information (PII):** Information that: (i) directly identifies an individual (e.g., name, address, social security number or other identifying number or code, telephone number, email address, etc.) or (ii) by which an agency intends to identify specific individuals in conjunction with other data elements, i.e., indirect identification (these data elements may include a combination of gender, race, birth date, geographic indicator, and other descriptors).

**Program:** The charge card services and systems attached thereto as provided by Contractor.

**Program Administrator:** The lead representative of a User Agency who coordinates, directs, manages, and oversees the travel payment Account related business for their department, is assigned access and authorized use of the Contractor's online Account and data management system, and is a contact between STP, Cardholders and the Contractor. The Program Administrator serves as the focal point for overall Account management, establishing and maintaining Accounts, monitoring usage guidelines, and issuance and destruction of cards. User Agencies may have more than one (1) Program Administrator within their organization.

**Rebate Period:** Each 12-month period, with the first period beginning on the "Go-Live" date of the MSA.

**State Agency:** Any State of California governmental agency, department, bureau, board or commission within the Executive, Judicial, and Legislative Branches of California State Government.

**Statement:** An official document of all periodic transactions (debits and credits) posted during the Billing Cycle and sent to the Cardholder, usually electronically.

**Subcontractor:** A person or entity that has been contracted by the Contractor to expressly perform part of the work or services solely for the existing contract entered between the Contractor and DGS.

**Unauthorized Use:** The use of an Account or card by a person, other than the Cardholder, who does not have actual or implied authority for such use, and from which the Cardholder receives no benefit.

**User Agency / User Agencies:** Executive and Non-Executive Branch agencies eligible to participate under this MSA.

**User Agency Agreement:** An agreement in form and substance acceptable to Contractor pursuant to which a User Agency has access to the Program.

**Virtual Accounts:** A Centrally Billed Account that acts as the unique identifier for both the booking and billing of travel that may be used during a limited time period, for a limited specific or not to exceed amount or a specific vendor.

**Virtual Card (VC):** A unique 16-digit card number, expiration date and security code associated with a VC Account that can be used for Cardholder-not-present transactions.

**Visa Preferred Partner:** A merchant identified by Visa as participating in the Visa Direct Preferred Partner Program whereby merchants have the market power to dictate a lower interchange with Visa.