



STATE OF OHIO
DEPARTMENT OF ADMINISTRATIVE SERVICES
GENERAL SERVICES DIVISION
OFFICE OF PROCUREMENT SERVICES
4200 SURFACE ROAD, COLUMBUS, OH 43228-1395

MANDATORY USE CONTRACT FOR: FLEET CREDIT CARD SERVICES

CONTRACT NUMBER: CSP902014

EFFECTIVE DATES: 09/01/13 TO 07/30/15

* Renewal through 07/31/17

The Department of Administrative Services has accepted Proposals submitted in response to Request for Proposal (RFP) No. CSP902014 that opened on June 14, 2013. The evaluation of the Proposal responses has been completed. The Offeror listed herein has been determined to be the highest ranking Offeror and has been awarded a Contract for the services listed. The respective Proposal response including, Contract Terms & Conditions, any Proposal amendment, special Contract Terms & Conditions, specifications, pricing schedules and any attachments incorporated by reference and accepted by DAS become a part of this Services Contract.

This Requirements Contract is effective beginning and ending on the dates noted above unless, prior to the expiration date, the Contract is renewed, terminated, or cancelled in accordance with the Contract Terms and Conditions.

This Requirements Contract is available to all State agencies, State institutions of higher education and properly registered members of the Cooperative Purchasing Program of the Department of Administrative Services, as applicable.

The agency is eligible to make purchases of the contracted services in any amount and at any time as determined by the agency. The State makes no representation or guarantee that department will purchase the volume of services as advertised in the Request for Proposal.

Questions regarding this and/or the Services Contract may be directed to:

Therese Gallego, CPPB
Therese.gallego@das.ohio.gov

This Requirements Contract and any Amendments thereto are available from the DAS Web site at the following address:

www.ohio.gov/procure

*Indicates renewal effective 08/01/15.

MUTUALLY AGREED UPON REVISIONS.

CONTRACT. Once awarded, the Contract will consist of those items detailed in Section 4.2 of the RFP:

1. The one-page Contract signature Page, Form 5.2.2
2. The RFP, as amended, including the Terms and Conditions
3. The documents and materials incorporated by reference in the RFP;
4. The Executive Order, EO2011-12K incorporated by reference in the RFP;
5. The Contractor's Proposal, as amended, clarified, and accepted by the State; and,
6. The documents and materials incorporated by reference in the Contractor's Proposal.

Notwithstanding the order listed above, amendments issued after the Contract is executed may expressly change the provisions of the Contract. If they do so expressly, then the most recent amendment will take precedence over anything else that is part of the Contract

Terms and Conditions 5.3.1 - Economic Price Adjustment. Modified Volume Rebate Addendum provision regarding interchange as follows:

The revenue sharing opportunity described in this Rebate Addendum is based on the U.S. Bank business model used to establish discount rates. Should a 5% or more change in the U.S. Bank business model occur either in the (1) discount rates (from those rates in effect as of the Effective Date of this Rebate Addendum) or (2) determination of such discount rates, U.S. Bank will have the right to replace the current revenue sharing opportunity with a new revenue sharing opportunity proportionate to the change of the revised discount rates.

Terms and Conditions 5.3.2 - Audits. The provision for the Contractor to cover the cost of any audit is omitted.

Terms and Conditions 5.3.2 - Insurance. The provision for the Contractor to provide for coverage of Medical Payments is omitted. Contractor has assured the State that, as a federally chartered national banking association, the Contractor maintains insurance coverage appropriate for a bank of its size and breadth, which eliminates any need for a separate line item rider for medical payments.

Terms and Conditions 5.3.2 – Suspension and Termination. Either party may terminate this Contract if the other Party defaults in meeting its obligations under this Contract and fails to cure its default within the time allowed by this Contract, or if a petition in bankruptcy (or similar proceeding) has been filed by or against the other Party. The State may also terminate this Contract if the Contractor violates any law or regulation in doing the Project, or if it appears to the State that the Contractor's performance is substantially endangered through no fault of the State. In any such case, the termination will be for cause, and the State's rights and remedies will be those identified below for termination for cause.

On written notice, the Contractor will have 30 calendar days to cure any breach of its obligations under this Contract, provided the breach is curable. If the Contractor fails to cure the breach within 30 calendar days after written notice or if the breach is not one that is curable, the State will have the right to terminate this Contract. The State may also terminate this Contract in the case of breaches that are cured within 30 calendar days but are persistent. "Persistent" in this context means that the State has notified the Contractor in writing of the Contractor's failure to meet any of its obligations three (3) times. After the third notice, the State may terminate this Contract without a cure period if the Contractor again fails to meet any obligation. The three (3) notices do not have to relate to the same obligation or type of failure. Some provisions of this Contract may provide for a shorter cure period than 30 calendar days or for no cure period at all. Those provisions will prevail over this one. If a particular section does not state what the cure period will be, this provision will govern.

The State may also terminate this Contract for its convenience and without cause or if the Ohio General Assembly fails to appropriate funds for any part of the Project. If a third party is providing funding for the Project, the State may also terminate this Contract should that third party fail to release any Project funds. The RFP identifies any third party source of funds for the Project. In the event the State terminates the Contract for non-appropriation of funds, the State will remain liable to Contractor for those fees and charges already incurred at the time of termination.

The notice of termination, whether for cause or without cause, will be effective as soon as the other Party receives it. Upon receipt of the notice of termination, the Contractor will immediately cease all work on the Project and take all steps necessary to minimize any costs the Contractor will incur related to this Contract. The Contractor will also immediately prepare a report and deliver it to the State. The report must be all-inclusive; no additional information will be accepted following the initial submission. The report must detail the work completed at the date of termination, the percentage of the Project's completion, any costs incurred in doing the Project to that date and any Deliverables completed or partially completed but not delivered to the State at the time of termination. The Contractor will also deliver all the completed and partially completed Deliverables to the State with its report. If delivery in that manner would not be in the State's interest, then the Contractor will propose a suitable alternative form of delivery.

If the State terminates this Contract for cause, it will be entitled to cover for the Project by using another Contractor on such commercially reasonable terms as it and the covering contractor may agree. The Contractor may be liable to the State for all costs related to covering for the Project to the extent that such costs, when combined with payments already made to the Contractor for the Project before termination, exceed the costs that the State would have incurred under this Contract. The Contractor will also be liable for any other direct damages resulting from its breach of this Contract or other action leading to termination for cause.

If the termination is for the convenience of the State, the Contractor will be entitled to compensation for any work on the Project that the Contractor has performed before the termination. Such compensation will be the Contractor's exclusive remedy in the case of termination for convenience and will be available to the Contractor only once the Contractor has submitted a proper invoice for such, with the invoice reflecting the amount determined to be owing to the Contractor by the State. The State will make that determination based on the lesser of the percentage of the Project completed or the hours of work performed in relation to the estimated total hours required to perform the entire applicable unit(s) of Work.

The State will have the option of suspending rather than terminating the Project where the State believes that doing so would better serve its interests. In the event of a suspension for the convenience of the State, the Contractor will be entitled to receive payment for the work performed before the suspension. In the case of suspension of the Project rather than termination for cause, the Contractor will not be entitled to any compensation for any work performed. If the State reinstates the Project after suspension for cause, rather than terminating this Contract after the suspension, the Contractor may be entitled to compensation for work performed before the suspension, less any damage to the State resulting from the Contractor's breach of this Contract or other fault. Any amount due for work before or after the suspension for cause will be offset by any damage to the State from the default or other event giving rise to the suspension.

In the case of a suspension for the State's convenience, the amount of compensation due to the Contractor for work performed before the suspension will be determined in the same manner as provided in this section for termination for the State's convenience. The Contractor will not be entitled to compensation for any other costs associated with a suspension for the State's convenience. No payment under this provision will be made to the Contractor until the Contractor submits a proper invoice.

Any notice of suspension, whether with or without cause, will be effective immediately on the Contractor's receipt of the notice. The Contractor will prepare a report concerning the Project just as is required by this Section in the case of termination. After suspension of the Project, the Contractor will perform no work without the consent of the State and will resume work only on written notice from the State to do so. In any case of suspension, the State retains its right to terminate this Contract rather than to continue the suspension or resume the Project. If the suspension is for the convenience of the State, then termination of the Contract will be a termination for convenience. If the suspension is with cause, the termination will also be for cause.

The State will not suspend the Project for its convenience more than once during the term of this Contract, and any suspension for the State's convenience will not continue for more than 30 calendar days. If the Contractor does not receive notice to resume or terminate the Project within the 30-day period, then this Contract will terminate automatically for the State's convenience at the end of the 30 calendar day period.

Any default by the Contractor or one of its subcontractors will be treated as a default by the Contractor and all of its subcontractors. The Contractor will be solely responsible for satisfying any claims of its subcontractors for any suspension or termination and will indemnify the State for any liability to them. Each subcontractor will hold the State harmless for any damage caused to them from a suspension or termination. They will look solely to the Contractor for any compensation to which they may be entitled.

The Contractor may, at its discretion, request termination with a minimum 60 day notice in writing. The State will review the request and respond in writing to the Contractor with its findings.

CONTRACT REMEDIES.

1. **Actual Damages.** Contractor is liable to the state of Ohio for all actual and direct damages caused by Contractor's default. The State may buy substitute supplies or services, from a third party, for those that were to be provided by Contractor. The State may recover the costs associated with acquiring substitute supplies or services, less any expenses or costs saved by Contractor's default, from Contractor.
2. **Liquidated Damages.** If actual and direct damages are uncertain or difficult to determine, the State may recover liquidated damages in the amount of 0% of the value of the order, deliverable or milestone that is the subject of the default, for every day the default is not cured by Contractor.
3. **Deduction of Damages from Contract Price.** The State may deduct all or any part of the damages resulting from Contractor's default from any part of the price still due on the contract, upon prior written notice being issued to the Contractor by the State.

*FLEET VIRTUAL PAY

The parties agree to add the U.S. Bank Fleet Virtual Pay® (“Fleet Virtual Pay”) Accounts, a U.S. Bank commercial card feature available through and processed by MasterCard, to Contract No. CSP902014. U.S. Bank will process Fleet Virtual Pay MasterCard transactions and transfer such transactions to the Voyager Processing System. The State desires to expand the Contract so that the State, its Agencies, and its Political Subdivisions may utilize Fleet Virtual Pay and present Fleet Cards to those Merchants who do not accept Fleet Cards but will accept MasterCard. The State, its Agencies, and its Political Subdivisions shall continue to use the Fleet Card for the purchase of fuel and fuel related purchases, and any purchases and/or transactions not accepted on the Voyager Processing System, through the implementation of Fleet Virtual Pay, when accepted by MasterCard Merchants, shall be transferred to and processed by MasterCard. U.S. Bank shall provide the State, its Agencies, and its Political Subdivisions with Statements through the Voyager Processing System.

1. Glossary.

- a. “Account” means any account established by U.S. Bank pursuant to this Fleet Virtual Pay Addendum in the name of the State, its Agencies and its Political Subdivisions and/or Cardholders who may be permitted to participate in Contract No. CSP 902014, to which Debt is charged, whether or not a Card is issued in conjunction with such Card.
- b. “MasterCard” means MasterCard® USA, Inc., and/or MasterCard International.
- c. “Merchant” means an entity that has entered into an agreement that governs the acceptance of Cards.
- d. “Merchant Category Code” means the code established by the Associations that identifies and classifies goods or services offered by a Merchant. Each Merchant designates its Merchant Category Code to the applicable Association.
- e. “Voyager Processing System” means the network used to process Fleet Card transactions, owned and operated by U.S. Bank.

2. Account Issuance. U.S. Bank shall issue Fleet Virtual Pay Accounts to the State, its Agencies, and its Political Subdivisions and/or cardholders who may be permitted to participate in Contract No. CSP 902014 pursuant to the terms and conditions herein. The State is solely liable to U.S. Bank for all charges on the Accounts for itself and its Agencies only. A Political Subdivision is solely liable to U.S. Bank for all charges on the Accounts for itself under a program of its own.

3. Minimum Performance Requirements. U.S. Bank will make no Revenue Share calculation unless:

- a. The State has qualified for and earned a Performance Incentive pursuant to the terms and conditions stated in the Contract;
- b. The File Turn Days Payment Performance for all Account Statements of the State and its Agencies is equal to or less than forty (40); and
- c. The Net Quarterly Charge Volume is equal to or greater than two-hundred-fifty thousand U.S. dollars (\$250,000.00).

*Indicates change 08/11/15.

COST SUMMARY

Fleet Credit Card Services
 CSP902014
 UNSPSC CATEGORY CODE: 80161505

Contractor: U.S. Bank National Association

<u>Description</u>	<u>Unit Name</u>	<u>No. of Units</u>	<u>Unit Cost</u>	<u>Total Cost</u>
Cost per card (if any):				
1. Card cost.	each card	1	\$ 0.00	\$ 0.00
2. Card replacement cost.	each card	1	\$ 0.00	\$ 0.00
3. Any service cost including mailing fees, overnight fees, data file fees, report fees, etc.	each card	1	\$ 0.00	\$ 0.00
4. Transaction fees for maintenance data capturing, coding etc (specify).	per transaction	1	\$ 0.00	\$ 0.00
Total Card Cost			\$ 0.00	\$ 0.00

Discounts, Shared Revenue and Other Incentives (if any):	N/A	N/A	N/A	
5. Discount opportunities from participating retailers. Vehicle Maintenance and repair utilizing National Account and/or GSA maintenance and repair pricing schedules, etc.	N/A	N/A	N/A	\$ 0.00
Note: Estimated \$11,280.50 Cost Savings Annually. Contractor will apply a two cent (\$0.02) per gallon pass through discount (at time of monthly billing) to all gallons purchased at third (3 rd) party participating locations in the merchant discount network program.				
6. Detailed revenue sharing.	N/A	N/A	N/A	\$ 0.00
Note: Estimated \$420,000 Cost Savings Annually. Contractor will apply Performance, Volume and Speed of Payment Incentives as illustrated below.				
7. Other incentives (provide detailed data and information on any added services or financial incentives.).	N/A	N/A	N/A	\$ 0.00
Total Discounts, Shared Revenue and Other Incentives (if any).	N/A	N/A	N/A	\$ 0.00
Note: Estimated \$431,280.50 Total Estimated Cost Savings Annually.				

<u>Other Rates / Charges:</u>				
8. Transaction fees for uploading and integrating internal fuel tank data into the Offeror's reporting system.	N/A	N/A	N/A	\$ 0.00
9. Card reader pricing per unit. Up to three configurations will be accepted. All specifications, features and descriptions must be included.	N/A	N/A	N/A	\$ 0.00
10. Polling / data storage hardware (PC / server) per unit.	N/A	N/A	N/A	\$ 0.00
11. Card reader and tank unit installation costs.	N/A	N/A	N/A	\$ 0.00
12. Others (specify).	N/A	N/A	N/A	\$ 0.00

All costs must be in U.S. Dollars.

*Indicates change 08/11/15.

Performance Incentive: Contractor offers the State the opportunity to earn an incentive payment based on net annual charge volume and speed of payment. The incentive opportunity has two parts that, while calculated separately, are dependent on each other: The State must qualify for both parts of the incentive to receive an incentive payment. If the State qualifies, the total incentive payment will be paid to the State annually.

Performance Volume Incentive: At the end of each year, Contractor will calculate the net annual charge volume for the entire State program. The result will be compared to the following performance volume matrix to determine the qualifying incentive opportunity:

VOLUME REBATE PERCENTAGE MATRIX:	
Minimum Quarterly Sales Volume	Bps of Sales
\$ 3,750,000	1.500%
\$ 5,000,000	1.560%
\$ 6,250,000	1.600%
\$ 7,000,000	1.620%
\$ 7,750,000	1.640%
\$ 8,500,000	1.650%
\$ 9,250,000	1.660%

Speed of Payment Incentive: At the end of each year, the Contractor will calculate the speed of payment performance for the entire fleet card program based on file turn days. File turn days are calculated by taking the sum of the daily accounts receivable balances for the rebate period divided by the total sales for the same rebate period inclusive of the beginning and ending dates. The result will be applied to the speed of payment matrix, below, to determine the qualifying incentive opportunity.

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

* File turn days are calculated by taking the sum of the daily accounts receivable balances for the rebate period divided by the total sales for the same rebate period inclusive of the beginning and ending dates.

*Indicates change 08/11/15.

*Fleet Virtual Pay Volume Rebate. U.S. Bank shall pay to the State a portion of its aggregate Net Quarterly Charge Volume through a rebate ("Volume Rebate"). U.S. Bank will base the Volume Rebate on the Net Quarterly Charge Volume. U.S. Bank will make the Volume Rebate calculation in accordance with the table below.

Fleet Virtual Pay Volume Rebate	
Net Quarterly Charge Volume	Volume Rebate Percentage
\$250,000.00	1.0500%
\$500,000.00	1.1000%
\$750,000.00	1.1500%
\$1,000,000.00	1.2000%
\$1,250,000.00	1.2500%
\$2,500,000.00	1.3000%
\$3,750,000.00	1.3500%
\$5,000,000.00	1.3750%
\$6,250,000.00	1.4000%

Virtual Pay Revenue Share Calculation.

1. U.S. Bank will calculate the Net Quarterly Charge Volume for the Addendum Quarter to find the Volume Rebate Percentage on Table A for the Volume Rebate.
2. Next, U.S. Bank will multiply the Volume Rebate Percentage by the Net Quarterly Charge Volume for that same Addendum Quarter. The result will be the gross Revenue Share.
3. U.S. Bank will subtract any Charge-offs that have not been subtracted at any time during any of the past Addendum Quarter(s) from the gross Revenue Share. The result will be the net Revenue Share.
4. Any Charge-offs in excess of the net Revenue Share from one (1) Addendum Year will be subtracted from one (1) or more of the following Addendum Quarters.
5. Upon termination of the Contract or the Fleet Virtual Pay Addendum, if the net Revenue Share is a negative dollar amount due to Charge-offs, U.S. Bank may request the State reimburse, U.S. Bank up to the dollar amount previously paid by U.S. Bank to the State and the State agrees to comply with such request

CONTRACTOR INDEX

CONTRACTOR AND TERMS:

213990
 Voyager Fleet Systems
 12800 Foster Street
 Overland Park, KS 66213
 Website: www.usbpayment.com

CONTRACT NO. CSP902014-3

TERMS: Net 30

CONTRACTOR'S CONTACT(S):

Mark Hess,
 Vice President Relationship Manager, Public Sector
 U.S. Bank National Association
 200 South Sixth Street
 Minneapolis, MN 55402

Office: (612) 436-6544
 E-mail: mark.hess1@usbank.com

Oaks Item Id: 4725 Fleet Credit Card Services (ea)
Oaks Item Id: 10409 Fleet Credit Card Services (amt)
 UNSPSC: 80161505

*Indicates change 08/11/15.

SUMMARY OF AMENDMENTS

Amendment Number	Effective Date	Description
4	08/11/15	To add the Fleet Virtual Pay Program and re-paginate the document.
3	08/01/15	To renew the contract an additional twenty-four (24) months, effective August 1, 2015 through July 31, 2017.
2	10/16/13	To make this contract available to all state agencies, State institutions of higher education and properly registered members of the Cooperative Purchasing Program of the Department of Administrative Services.
1	09/23/13	To indicate a revision of the Contractor's name and OAKS ID number; to update the address for Contractor's contact and; to add the Summary of Amendments page.

*Indicates change 08/11/15.