

CONTRACT #3
RFS # 321.0600210
Edison # 24800

Department of General Services
Motor Vehicle Management

VENDOR:
U.S. Bank National Association,
ND

TO: Ms. Leni Chick, Contract and Audit Coordinator, Fiscal Review Committee

FROM: Chris Romaine, Central Procurement Office – Department of General Services

DATE: January 5, 2016

SUBJECT: Request for Approval of Contract Amendment Four

The Department of General Services respectfully requests approval of the attached Amendment Four to contract # NV24800 with U.S. Bank National Association. This amendment is to extend the contract by 180 days.

The vendor provides a payment card service for the purchase of gasoline, maintenance and repairs done at retail locations on State of Tennessee owned vehicles. Motor Vehicle Management wishes to extend the contract by 180 days while we prepare a procurement to replace the current contract for fuel cards.

Please contact me at (615) 253-5613 with any questions or concerns. We appreciate your consideration of this matter.

Attachments:

- Attachment A: Supplemental Document
- Attachment B: Contract Amendment Request
- Attachment C: Contract Amendment
- Attachment D: Rule Exception Request
- Attachment E: Original Contract
- Attachment F: RFP
- Attachment G: RFP Amendments
- Attachment H: Baseline Spend Query

*Contact Name:	Bob Williams	*Contact Phone:	615-235-4866			
*Presenter's name(s):	Bob Williams					
Edison Contract Number: <i>(if applicable)</i>	24800	RFS Number: <i>(if applicable)</i>				
*Original or Proposed Contract Begin Date:	4/1/2011	*Current or Proposed End Date:	3/31/2016			
Current Request Amendment Number: <i>(if applicable)</i>	4					
Proposed Amendment Effective Date: <i>(if applicable)</i>	4/1/2016					
*Department Submitting:	Department of General Services					
*Division:	Motor Vehicle Management					
*Date Submitted:	January 5, 2015					
*Submitted Within Sixty (60) days:	Yes					
<i>If not, explain:</i>						
*Contract Vendor Name:	US Bank National Association					
*Current or Proposed Maximum Liability:	\$74,000,000					
*Estimated Total Spend for Commodities:	N/A					
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)						
FY:2011	FY:2012	FY:2013	FY:2014	FY:2015	FY:2016	FY: 2017
\$0	\$9,236,000	\$13,500,000	\$15,264,000	\$18,000,000	\$18,000,000	-
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)						
FY:2011	FY:2012	FY:2013	FY:2014	FY:2015	FY:2016	FY:2017
\$0	\$9,235,388	\$15,234,121	\$15,209,856	\$11,994,649	\$4,149,457	-
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:						
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:				This is a result of nationwide fuel prices. With the current price at a 6 year low, it creates surplus funds. However, market prices are unpredictable and can change quickly.		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:						
*Contract Funding Source/Amount:						
State:				Federal:		

<i>Interdepartmental:</i>	\$74,000,000	<i>Other:</i>	
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” please define:		MVM pays the bill and agencies reimburse	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
4/1/2013		This amendment extended the contract term by one year and decreased the maximum liability	
4/1/2014		This amendment extended the contract term by one year and increased the maximum liability	
4/1/2015		This amendment extended the contract term by one year and increased the maximum liability	
Method of Original Award: <i>(if applicable)</i>		RFP	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		The original projected cost was \$44,000,000 over 3 years. Agency competitively procured with RFP and the lowest cost proposal determined the cost of the contract.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		There were three (3) other potential vendors who submitted a response to the RFP posting. The highest evaluated proposal was awarded the contract.	

Total \$ 55,823,473.07

Rule Exception Request

Route completed request, as one file in PDF format, via e-mail attachment sent to: AgSprs.Agsprsr@tn.gov

APPROVED

Kevin C. Bartels for
Michael F. Perry

Digitally signed by Kevin C. Bartels for Michael F. Perry
DN: cn=Kevin C. Bartels for Michael F. Perry,
o=CFR, ou, email=kbartels@tn.gov, c=US
Date: 2015.11.17 10:00:07 -0500

CHIEF PROCUREMENT OFFICER
(Required for all Rule Exception Requests)

APPROVED

Justin W. [Signature]

COMPTROLLER OF THE TREASURY
(ONLY for applicable statutorily required approvals e.g., records, annual report and audit, or monitoring provisions)

11/18/15

Request Tracking #	32101-11615
1. Contract #	24800
2. Goods or Services Caption	Universal Fleet Card
3. Contractor	U.S. Bank National Association
4. Contract Period (with ALL options to extend exercised)	66 months
5. Contract Maximum Liability (with ALL options to extend exercised)	\$ 74,000,000
6. Rule(s) (for which the exception is requested) Please include citation and written explanation of Rule(s) to be excepted.	Term of Contract: In no event shall the maximum term of a contract exceed a total of sixty (60) months. 0690-03-01- .14(2)(c) Term Contract - General, which states, "...any multi-year contract shall be awarded pursuant to these Rules and shall not be for a period longer than sixty (60) months unless approved by the Chief Procurement Officer as being in the best interest of the State."
7. Explanation of Rule Exception Requested	General Services is requesting to extend the term of a multi-year contract for a period to exceed sixty (60) months.
8. Justification	General Services' current five-year contract with U.S. Bank is scheduled to end March 31, 2016. In anticipation of the contract's conclusion, DGS is preparing an RFP to replace the existing agreement and would like to execute a 180 day extension. The extension is now needed due to the delay of the decision to ultimately not include fleet/fuel on the upcoming P-Card solicitation.
Agency Head Signature and Date (contracting agency head or authorized signatory)	
<i>Robert E. Oglesby/mc</i> <i>11/16/15</i>	

Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

Agency request tracking #	32101-32016	
1. Procuring Agency	General Services	
2. Contractor	U.S. Bank National Association ND / Voyager	
3. Edison contract ID #	NV24800	
4. Proposed amendment #	4	
5. Contract's Effective Date	4/1/2011	
6. Current end date	3/30/2016	
7. Proposed end date	9/30/2016	
8. Current Maximum Liability or Estimated Liability	\$ 74,000,000	
9. Proposed Maximum Liability or Estimated Liability	\$ 74,000,000	
10. Office for Information Resources Pre-Approval Endorsement Request – information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
11. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. Human Resources Pre-Approval Endorsement Request – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Explain why the proposed amendment is needed	<p>The vendor provides a payment card service for the purchase of gasoline, maintenance and repairs done at retail locations on State of Tennessee owned vehicles. MVM wishes to extend the contract by 180 days while we prepare a procurement to replace the current contract for fuel cards.</p>	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.	N/A	

Agency request tracking #	32101-32016
Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 32101-11615	Edison ID 24800	Contract # 24800	Amendment # 4		
Contractor Legal Entity Name U.S. Bank National Association			Edison Vendor ID 18347		
Amendment Purpose & Effect(s) 180 day extension allowing General Services more time to complete the RFP process for re-procurement					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: September 30, 2016			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			0.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011			\$0		\$0
2012			\$9,236,000		\$9,236,000
2013			\$13,500,000		\$13,500,000
2014			\$15,264,000		\$15,264,000
2015			\$18,000,000		\$18,000,000
2016			\$18,000,000		\$18,000,000
TOTAL:			\$74,000,000		\$74,000,000
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE</i>		
Speed Chart (optional)		Account Code (optional)			

**AMENDMENT 4
OF CONTRACT 24800**

This Amendment is made and entered by and between the State of Tennessee, General Services, hereinafter referred to as the "State" and U.S. Bank N.A., hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract section B.1 Contract Period is deleted in its entirety and replaced with the following:
 - B.1. Contract Term. This Contract shall be effective for the period beginning April 1, 2011, and ending on September 30, 2016 (the "Contract Term"). The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

2. Contract Section B.2. is deleted in its entirety and replaced with the following:
 - B.2. Term Extension. The State may extend the Term an additional period of time, not to exceed one hundred and eighty (180) days beyond the expiration date of this Contract, under the same terms and conditions, at the State's sole option. In no event, however, shall the maximum Term, including all renewals or extensions, exceed a total of sixty six (66) months.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective March 31, 2016. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

U.S. Bank, N.A.:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF GENERAL SERVICES, CENTRAL PROCUREMENT OFFICE:

MICHAEL F. PERRY, CHIEF PROCUREMENT OFFICER

DATE

DEPARTMENT OF GENERAL SERVICES:

BOB OGLESBY, COMMISSIONER

DATE



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

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Representatives

Brenda Gilmore Johnny Shaw
Susan Lynn David Shepard
Pat Marsh Ron Travis
Bill Sanderson Tim Wirgau
Charles Sargent, *ex officio*
Speaker Beth Harwell, *ex officio*

Sen. Bill Ketron, Vice-Chairman

Senators

Sara Kyle Reginald Tate
Doug Overbey Ken Yager
Steve Southerland
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

M E M O R A N D U M

TO: Mike Perry, Chief Procurement Officer
 Department of General Services

FROM: Representative Mark White, Chairman *MW*
 Senator Bill Ketron, Vice-Chairman *BK*

DATE: January 27, 2015

SUBJECT: Contract Comments
 (Fiscal Review Committee Meeting 1/26/2015)

After review, the Fiscal Review Committee vote to recommend approval of the attached Consent Calendar – January Agency Term Contracts.

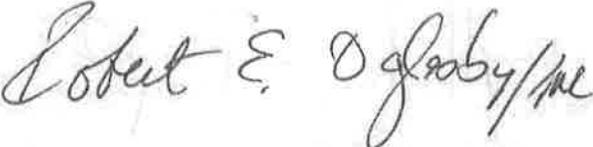
cc: Shay Oliphant, Assistant Chief Procurement Officer

Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprrs.Agsprsr@tn.gov

APPROVED	
	
CHIEF PROCUREMENT OFFICER	DATE

Agency request tracking #	32101-32015	
1. Procuring Agency	Department of General Services	
2. Contractor	U.S Bank National Association ND / Voyager	
3. Edison contract ID #	24800	
4. Proposed amendment #	3	
5. Contract's Effective Date		4/1/2011
6. Current end date		3/31/2015
7. Proposed end date		3/30/2016
8. Current Maximum Liability or Estimated Liability		\$56,000,000
9. Proposed Maximum Liability or Estimated Liability		\$74,000,000
10. Office for Information Resources Pre-Approval Endorsement Request <i>- information technology service (N/A to THDA)</i>	<input checked="" type="checkbox"/> Not Applicable	<input type="checkbox"/> Attached
11. eHealth Pre-Approval Endorsement Request <i>- health-related professional, pharmaceutical, laboratory, or imaging</i>	<input checked="" type="checkbox"/> Not Applicable	<input type="checkbox"/> Attached
12. Human Resources Pre-Approval Endorsement Request <i>- state employee training service</i>	<input checked="" type="checkbox"/> Not Applicable	<input type="checkbox"/> Attached
13. Explain why the proposed amendment is needed		
<p>The vendor provides a payment card service, through their program, for the purchase of gasoline, maintenance and repairs done at retail locations on State of Tennessee owned vehicles. MVM wishes to exercise their final renewal option listed under section B.2., Term Extension, in order to prepare a procurement to replace the current contract for fuel cards due to the procurement coming to the end of its life. This will change the contract end date in the system from 03/31/2015 to 03/30/2016.</p>		

Agency request tracking #	32101-32015
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.	
N/A	
Signature of agency head or designee and date	
 03/24/15	



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 32101-32015	Edison ID NV24800	Contract # NV24800	Amendment # 3
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Contractor Legal Entity Name U.S. BANK NATIONAL ASSOCIATION ND	Edison Vendor ID 18347
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Amendment Purpose & Effect(s)
Extends the Contract Term by one year and increases the Maximum Liability Amount

Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	End Date: March 30, 2016
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TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **\$ 18,000,000.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011			\$0		\$0
2012			\$9,236,000		\$9,236,000
2013			\$13,500,000		\$13,500,000
2014			\$15,264,000		\$15,264,000
2015			\$18,000,000		\$18,000,000
2016			\$18,000,000		\$18,000,000
TOTAL:			\$74,000,000		\$74,000,000

American Recovery and Reinvestment Act (ARRA) Funding: YES NO

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

CPO USE

Ronald N. Plumb

Speed Chart (optional)	Account Code (optional)
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**AMENDMENT 3
OF CONTRACT NV24800**

This Amendment is made and entered by and between the State of Tennessee, Department of General Services, hereinafter referred to as the "State" and U.S. Bank National Association, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract section B.1 is deleted in its entirety and replaced with the following:

B.1 This Contract shall be effective for the period beginning April 1, 2011, and ending on March 30, 2016. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

2. Contract section C.1. is deleted in its entirety and replaced with the following:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Seventy Four Million Dollars and zero cents (\$74,000,000.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor. The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective April 1, 2015. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

U.S. BANK NATIONAL ASSOCIATION:

3-31-2015

SIGNATURE

DATE

William P. Henneman Senior Vice President

PRINTED NAME AND TITLE OF SIGNATORY (above)



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Sen. Bill Ketron, Chairman

Senators

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Representatives

Jeremy Faison Joe Pitts
Brenda Gilmore Mark Pody
Mathew Hill David Shepard
Pat Marsh Tim Wirgau
Charles Sargent, *ex officio*
Speaker Beth Harwell, *ex officio*

M E M O R A N D U M

TO: Mike Perry, Chief Procurement Officer
 Department of General Services

FROM: Senator Bill Ketron, Chairman
 Representative Mark White, Vice-Chairman

DATE: February 25, 2014

SUBJECT: Contract Comments
 (Fiscal Review Committee Meeting 2/24/2014)

BK
MW

After review, the Fiscal Review Committee voted to recommend approval of the attached Consent Calendar – Agency Term Contracts.

cc: Shay Oliphant, Assistance Chief Procurement Officer

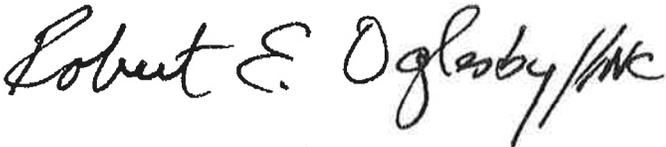
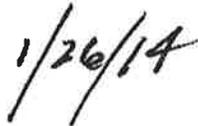
Amendment Request

Route a completed request, as one file in PDF format, via e-mail attachment sent to: AgSDRS.AgsDRS@tn.gov

(kcb)

APPROVED	
	
CHIEF PROCUREMENT OFFICER	1/27/14 DATE

Request Tracking #	32106-XXXXX	
1. Procuring Agency	Department of General Services	
2. Contractor	U. S. Bank National Association	
3. Contract #	NV24800	
4. Proposed Amendment #	2	
5. Edison ID #	NV24800	
6. Contract Begin Date	April 1, 2011	
7. Current Contract End Date <i>- with ALL options to extend exercised</i>	March 31, 2014	
8. Proposed Contract End Date <i>- with ALL options to extend exercised</i>	March 31, 2015	
9. Current Maximum Contract Cost <i>- with ALL options to extend exercised</i>	\$ 38,000,000	
10. Proposed Maximum Contract Cost <i>- with ALL options to extend exercised</i>	\$ 56,000,000	
11. Office for Information Resources Pre-Approval Endorsement Request <i>- Information technology service (N/A to THDA)</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. eHealth Pre-Approval Endorsement Request <i>- health-related professional, pharmaceutical, laboratory, or imaging</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Human Resources Pre-Approval Endorsement Request <i>- state employee training service</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
14. Explanation Need for the Proposed Amendment		
The original contract term was for a two (2) year period with options to renew. The State is now exercising its 2 nd option to extend the contract term by a period of one (1) year, as provided for in the RFP and original contract award.		
15. Name & Address of the Contractor's Principal Owner(s) <i>- NOT required for a TN state education institution</i>		
Ryan Calloway, VP Sales, Public Sector		

Request Tracking #	32106-XXXXX
US Bank Corporate Payment Systems 738 Highway 6 South, Suite 600 Houston, TX 77079	
16. Evidence Contractor's Experience & Length Of Experience Providing the Goods or Services US Bank has provided fuel and maintenance card services under this contract since April 1, 2011 to the satisfaction of the State.	
17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives US Bank was the best evaluated proposer to RFP#32106-00210 for Universal Card Program (for the purchase of fuel and automobile maintenance and minor repairs).	
18. Justification It is in the States best interest to continue its fleet card program with US Bank by exercising the 2 nd option to renew.	
Agency Head Signature and Date – <i>MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented circumstances</i>  	



CONTRACT AMENDMENT COVER SHEET



Agency Tracking # 32106-00210	Edison ID NV24800	Contract # NV24800	Amendment # 2		
Contractor Legal Entity Name US Bank National Association			Edison Vendor ID 18347		
Amendment Purpose & Effect(s) Extends the Contract Term by one year and increases the Maximum Liability Amount					
Amendment Changes Contract End Date: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		End Date: March 31, 2015			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			+ \$ 18,000,000.00		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011			\$0		\$0
2012			\$9,236,000		\$9,236,000
2013			\$13,500,000		\$13,500,000
2014			\$15,264,000		\$15,264,000
2015			\$18,000,000		\$18,000,000
TOTAL:			\$56,000,000		\$56,000,000
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations. <i>Ronald A. Plum</i>			CPO USE		
Speed Chart (optional)		Account Code (optional)			



U.S. BANK FLEET CARD PROGRAM AGREEMENT

AMENDMENT NO. 2 OF CONTRACT NV24800

This Amendment No. 2 ("Amendment No. 2") is made and entered by and between the State of Tennessee, Department of General Services, hereinafter referred to as the "State" and U.S. Bank National Association, hereinafter referred to as the "Contractor" (as successor in interest to U.S. Bank National Association ND) to amend the Fleet Card Program Agreement effective April 1, 2011 between the State and Contractor. This Amendment No. 2 shall become effective April 1, 2014 ("**Effective Date**").

Whereas, the Fleet Card Agreement provides that the Fleet Card Agreement may be amended from time to time by a written instrument signed by the parties; and

Whereas, all of the parties wish to amend the Fleet Card Agreement as set forth herein.

Now, therefore for good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Capitalized terms used in this Amendment and not otherwise defined in this Amendment are used with the same respective meanings attributed thereto in the Fleet Card Agreement
2. Contract section B.1 is deleted in its entirety and replaced with the following:
 - B.1. This Contract shall be effective for the period beginning April 1, 2011, and ending on March 31, 2015. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.
2. Contract section C.1 is deleted in its entirety and replaced with the following:
 - C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed Fifty-Six Million Dollars and zero cents (\$56,000,000.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C. 3.
3. The following is added as Contract section E.14.:
 - E.14. Tennessee Department of Revenue Registration. The Contractor shall be registered with the Department of Revenue for the collection of Tennessee sales and use tax. This registration requirement is a material requirement of this Contract.



Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

In witness whereof, the parties hereto have, by their authorized representatives, executed this Amendment No. 2.

Dated this 5th day of Feb, 2014 by:

Dated this 4 day of February, 2014 by:

State of Tennessee, Department of General Services

U.S. Bank National Association

(Customer)

Robert E. Oglesby/mc

Kelly M. Caspers

(Signature of Authorized Individual)

(Signature of Authorized Individual)

Robert E. Oglesby

Kelly M. Caspers

(Printed Name of Authorized Individual)

(Printed Name of Authorized Individual)

Commissioner

Vice President

(Printed Title of Authorized Individual)

(Printed Title of Authorized Individual)



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Sen. Bill Ketron, Chairman
Senators

Douglas Henry Reginald Tate
Brian Kelsey Ken Yager
Steve Southerland
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

Rep. Mark White, Vice-Chairman
Representatives

Charles Curtiss Pat Marsh
Jeremy Faison Mark Pody
Brenda Gilmore David Shepard
Matthew Hill Tim Wirgau
Charles Sargent, *ex officio*
Speaker Beth Harwell, *ex officio*

MEMORANDUM

TO: Jessica Robertson, Chief Procurement Officer
Department of General Services

FROM: Senator Bill Ketron, Chairman
Representative Mark White, Vice-Chairman BK MW

DATE: April 22, 2013

SUBJECT: **Contract Comments**
(Fiscal Review Committee Meeting 4/22/13)

RFS# 321.06-00210 (Edison # 24800)

Department: General Services

Vendor: U.S. Bank National Association ND

Summary: The vendor provides a universal payment card services program for the purchase of gasoline, minor maintenance, and repairs at retail locations on State of Tennessee owned vehicles. The proposed amendment adds prompt pay discounts to be paid on a quarterly basis; extends current contract an additional year through March 31, 2014; and adds rebate level descriptions and rates through March 31, 2016.

Current maximum liability: \$44,000,000

Proposed maximum liability: \$44,000,000

After review, the Fiscal Review Committee voted to recommend approval of the contact amendment with the stipulation that the maximum liability be reduced by \$6 million dollars resulting in a total of \$38,000,000.

cc: Jenny Young, Service Contracts Coordinator



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

STEVEN G. CATES
COMMISSIONER

BILL HASLAM
GOVERNOR

To: Tennessee Comptroller of the Treasury Office of Management Services
From: Central Procurement Office
Date: April 4, 2013
Re: U.S. Bank Amendment

I. Background

The State of Tennessee Department of General Services released a RFP for a Universal Card Program, RFP # 32106-00210, on November 18th, 2010, and awarded a contract to the best evaluated proposer, U.S. Bank National Association ND ("US Bank"). This contract, Edison #NV24800, provided for an initial contract period of April 1, 2011 to March 31, 2013 with options to renew for a total contract term of no more than five (5) years.

II. Timeliness and Negotiations

The Universal Card Program is highly utilized and the contract has a maximum liability of \$44 million dollars over a three (3) year period. As such, this contract was targeted by the Central Procurement Office (CPO) as a category to analyze and attempt to achieve increased savings for the State. The CPO's Strategic Sourcing consultant conducted market research and the CPO explored the potential benefits of re-procuring by having discussions with other providers; however, in the end it was determined that the best option for the State was to continue with U.S. Bank.

Unfortunately the process of analyzing spend, reviewing other market alternatives, and negotiating with U.S. Bank took longer than anticipated and therefore the proposed amendment was not finalized in time to get on the Fiscal Review Committee's agenda for approval prior to the expiration of the current contract term. This amendment will be presented for approval before the Fiscal Review Committee at their next scheduled meeting. The particulars of the non-competitive negotiation with U.S. Bank are detailed below:

- On Friday, March 8th the State represented by Jessica Robertson, Chief Procurement Officer; Mike Perry, Deputy Chief Procurement Officer; and Jenny Young, Service Contracts Coordinator held a conference call with U.S. Bank represented by Ryan Calloway, VP Sales, Public Sector; Piroshka Thomas, Relationship Manager; and Robert Hebert, Regional Vice President.

CENTRAL PROCUREMENT OFFICE

312 ROSA L. PARKS AVENUE, 3RD FLOOR • NASHVILLE, TENNESSEE 37243
(615) 741-1035 • FAX: (615) 741-0684 • WWW.TN.GOV/GENERALSERV/

- The State, which is currently receiving on average a 1% rebate under the contract, asked U.S. Bank if they would be able to provide higher rebates to the State if the State elected to exercise its option to renew. U.S. Bank replied that they would be able to offer a rebate schedule with terms more favorable to the State for all three (3) remaining contract years. Their proposal included a guaranteed 1.6 % rebate rate for the first renewal year (April 1, 2013 – March 31, 2014) regardless of spend, and an early pay incentive or prompt pay discount. Currently, the State is submitting payment to U.S. Bank in approximately fourteen (14) days; therefore, the prompt pay discount should result in additional savings opportunity to the State.
 - The State asked U.S. Bank to memorialize this proposal in writing. On March 12, 2013 US Bank submitted its proposal, which is attached hereto as Attachment One.
- The State also asked U.S. Bank if they would agree to open the contract to use by local governments. While U.S. Bank was agreeable to this extension in theory; the details of this amendment could not be worked out given the tight time constraints and will be revisited at a later date.

III. **Best Interest of the State**

In addition to being the best evaluated proposer in a competitive procurement conducted in 2010, the CPO has analyzed current market conditions and has determined that exercising its option to renew is in the best interest of the State. While projecting gasoline prices and agency use over the duration of the contract is difficult at best, approval of this amendment would result in projected savings of \$85,418 for the period April 1, 2013 – March 31, 2014 based on current volume usage, and \$71,182 per year for each of the two succeeding renewal option years.

US Bank Voyager Fleet Systems Inc

Rebate Offering For:

State of Tennessee

VOLUME REBATE PERCENTAGE MATRIX:	
Minimum Quarterly Sales Volume	bps of Sales
\$ 1,250,000	1.1000%
\$ 2,500,000	1.3000%
\$ 3,750,000	1.5000%
\$ 5,000,000	1.6000%
\$ 6,250,000	1.6500%
\$ 8,750,000	1.7000%

Early Pay Incentive					
Client Held Days	Rebate	Client Held Days	Rebate	Client Held Days	Rebate
0	0.0750%	16	0.0350%	32	-0.0100%
1	0.0725%	17	0.0325%	33	-0.0150%
2	0.0700%	18	0.0300%	34	-0.0200%
3	0.0675%	19	0.0275%	35	-0.0250%
4	0.0650%	20	0.0250%	36	-0.0300%
5	0.0625%	21	0.0225%	37	-0.0350%
6	0.0600%	22	0.0200%	38	-0.0400%
7	0.0575%	23	0.0175%	39	-0.0450%
8	0.0550%	24	0.0150%	40	-0.0500%
9	0.0525%	25	0.0125%	41	-0.0550%
10	0.0500%	26	0.0100%	42	-0.0600%
11	0.0475%	27	0.0075%	43	-0.0650%
12	0.0450%	28	0.0050%	44	-0.0700%
13	0.0425%	29	0.0025%	45	-0.0750%
14	0.0400%	30	0.0000%		
15	0.0375%	31	-0.0050%		

* Client Held 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 less 15 days.

SAMPLE REBATE CALCULATION:

Quarterly Sales	\$ 4,750,000
Client Held Days	30
Volume Rebate Percentage	1.6000%
Early Pay Rebate Percentage	0.0000%
Total Rebate Percentage	1.6000%
Total Quarterly Sales	\$ 4,750,000
Total Quarterly Rebate	\$ 76,000
Estimated Annual Rebate	\$ 304,000

CONDITIONS:

1. Client Held Days Must be 45 or less to earn any rebate; 30 days to avoid a penalty
2. All Rebates are net of losses.
3. Voyager will calculate sales in aggregate for all state agencies and political subdivisions to determine the point on the volume grid; early pay incentive will be calculated in aggregate for all state agencies and separately for each political subdivision; payments will be made quarterly
4. Voyager will guarantee 1.60% during the first year of the contract to qualifying agencies.
5. This Rebate offering expires: 5/7/2013
6. The agreement term in years is: 3



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

STEVEN G. CATES
COMMISSIONER

BILL HASLAM
GOVERNOR

TO: Ms. Leni Chick, Contract and Audit Coordinator, Fiscal Review Committee

FROM: Jenny Young, Service Contracts Coordinator

DATE: March 19, 2013

SUBJECT: Request for Approval of Contract Amendment One with US Bank

Please consider the enclosed request for a non-competitive amendment with U.S. Bank Voyager Fleet Systems, Inc. The Department of General Services competitively procured a universal card program through RFP #32106-00210 and awarded the contract to U.S Bank on April 1, 2011.

The Department of General Services respectfully requests approval of the attached Amendment One which extends the contract term by one year, as contemplated by the original contract, and does not increase the maximum liability. The proposed amendment also provides for new rebate rates that are more favorable to the State.

Please contact me at (615) 741-1298 with any questions or concerns. We appreciate your consideration of this matter.

Attachments:

- Exhibit A: Supplemental Documentation Required for Fiscal Review Committee
- Exhibit B: Original Contract with Summary Sheet
- Exhibit C: Proposed Amendment One with Summary Sheet
- Exhibit D: Non-Competitive Amendment Request
- Exhibit E: Additional Documentation for Support, Edison Report CN_021 for FY12 and FY13

THE OFFICE OF SERVICES CONTRACTING

312 ROSA L. PARKS AVENUE, 24TH FLOOR • NASHVILLE, TENNESSEE 37243
(615) 741-1298 • (615) 253-7819 • FAX: (615) 532-6257 • WWW.TN.GOV/GENERSERV/

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Jenny Young	*Contact Phone:	(615) 741-1298		
*Original Contract Number:	NV24800	*Original RFS Number:	#32106-00210		
Edison Contract Number: (if applicable)	NV24800	Edison RFS Number: (if applicable)			
*Original Contract Begin Date:	April 1, 2011	*Current End Date:	March 31, 2013		
Current Request Amendment Number: (if applicable)	One				
Proposed Amendment Effective Date: (if applicable)	April 1, 2013				
*Department Submitting:	Department of General Services				
*Division:	Motor Vehicle Management				
*Date Submitted:	March 19, 2013				
*Submitted Within Sixty (60) days:	No				
<i>If not, explain:</i>	The process of researching and negotiating the best possible rates for the State took longer than anticipated.				
*Contract Vendor Name:	U.S. Bank National Association ND				
*Current Maximum Liability:	\$44,000,000.00				
*Current Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2011	FY: 2012	FY: 2013	FY: 2014	FY 2015	
\$5,500,000	\$22,000,000	\$16,500,000			
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from STARS or FDAS report)					
FY: 2011	FY: 2012	FY: 2013			
\$0	\$9,235,388.02	\$8,702,210.60			
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:					
IF surplus funds have been					

Supplemental Documentation Required for
Fiscal Review Committee

carried forward, please give the reasons and provide the authority for the carry forward provision:			
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			
*Contract Funding Source/Amount:	State:		Federal:
Interdepartmental:	\$44,000,000		<i>Other:</i>
If “ <i>other</i> ” please define:			
Dates of All Previous Amendments or Revisions: (<i>if applicable</i>)		Brief Description of Actions in Previous Amendments or Revisions: (<i>if applicable</i>)	
N/A			
Method of Original Award: (<i>if applicable</i>)		RFP	
*What were the projected costs of the service for the entire term of the contract prior to contract award?			

Non-Competitive Amendment Request

NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.

Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@state.tn.us

APPROVED

Jessica Robertson / [Signature]

COMMISSIONER OF FINANCE & ADMINISTRATION CPO

Request Tracking #	32106-00210	
1. Procuring Agency	Department of General Services	
2. Contractor	U.S. Bank National Association	
3. Contract #	24800	
4. Proposed Amendment #	1	
5. Edison ID #	NV24800	
6. Contract Begin Date	April 1, 2011	
7. Current Contract End Date – with ALL options to extend exercised	March 31, 2013	
8. Proposed Contract End Date – with ALL options to extend exercised	March 31, 2014	
9. Current Maximum Contract Cost – with ALL options to extend exercised	\$ 44,000,000	
10. Proposed Maximum Contract Cost – with ALL options to extend exercised	\$ 44,000,000	
11. Office for Information Resources Endorsement – Information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. eHealth Initiative Support – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Human Resources Support – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
14. Explanation Need for the Proposed Amendment	<p>The original contract term was for a two (2) year period with options to renew. Through this amendment, the State is now exercising its option to extend the contract term by a period of one (1) year, as provided for in the RFP and original contract award.</p> <p>This amendment also clarifies the requirements and delivery address surrounding replacement of the Universal Cards, adds a prompt pay discount, and improves the rebate rates provided for in contract section C.3. payment methodology from the rates initially proposed during the RFP process.</p>	

Request Tracking #	32106-00210
<p>15. Name & Address of the Contractor's Principal Owner(s) <i>- NOT required for a TN state education institution</i></p> <p>Ryan Calloway, VP Sales, Public Sector U.S. Bank Corporate Payment Systems 901 Fontaine Ct. Waxhaw, NC 28173 Phone: (704) 243-3278 Email: ryan.calloway@usbank.com</p>	
<p>16. Evidence Contractor's Experience & Length Of Experience Providing the Service</p> <p>US Bank has been providing fuel and maintenance card services since 1995.</p>	
<p>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</p> <p>US Bank was the best evaluated proposer in RFP # 32106-00210 for Universal Card Program (for purchase of fuel and automobile maintenance and minor repairs). In addition, prior to electing to exercise its option to renew, the current market of universal card providers was reviewed to insure that the rebate rates offered by US Bank remained competitive and that it was in the best interest of the State to renew.</p>	
<p>18. Justification – <i>specifically explain why non-competitive negotiation is in the best interest of the state</i></p> <p>At this time, it is in the State's best interest to exercise its option to renew the contract that was competitively awarded to US Bank. Through non-competitive negotiations, US Bank has added a prompt pay discount and significantly increased the rebate scheme, both of which will result in significant savings to the State.</p>	
<p>Agency Head Signature and Date – <i>MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented exigent circumstances</i></p> <p><i>Steven D. Carter /MC</i> <i>1/3/13</i></p>	



CONTRACT AMENDMENT

Agency Tracking # 32106-00210	Edison ID NV24800	Contract # NV24800	Amendment # 1
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Contractor Legal Entity Name US Bank National Association	Edison Vendor ID 18347
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Amendment Purpose & Effect(s)
 Extends the Contract Term by one year and decreases the Maximum Liability Amount

Amendment Changes Contract End Date: YES NO **End Date:** March 31, 2014

TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A): **-\$6,000,000.00**

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011			\$0		\$0
2012			\$9,236,000		\$9,236,000
2013			\$13,500,000		\$13,500,000
2014			\$15,264,000		\$15,264,000
2015					
TOTAL:			\$38,000,000		\$38,000,000

American Recovery and Reinvestment Act (ARRA) Funding: YES NO

Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.

Ronald A. Plum

OCR USE

Speed Chart (optional)	Account Code (optional)
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**AMENDMENT ONE
OF CONTRACT #NV24800
BETWEEN THE STATE OF TENNESSEE
AND
U.S. BANK NATIONAL ASSOCIATION ND**

This Amendment is made and entered by and between the State of Tennessee, Department of General Services, hereinafter referred to as the "State" and U.S. Bank National Association ND, formerly doing business as Voyager Fleet Systems Inc. (U.S. Bank), hereinafter referred to as the "Contractor." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract Attachment Three attached hereto is attached as a new attachment.
2. Contract Section A.5.b.3 is deleted in its entirety and replaced with the following:
 - A.5.b.(3) After the initial distribution, the Contractor will issue, at no cost to the State, new and replacement Universal Cards within one (1) business day of receipt of requests for replacement from the State's Contract Administrator for those requests received by Contractor by 11 AM Central Standard Time. Requests for replacement received by Contractor after 11 AM Central Standard Time will be issued no later than the end of the following business day. Unless a Universal Card has been terminated or canceled, as provided herein, all cards will expire upon the termination of this Contract. During the course of the Contract, the Contractor may, with reasonable notice (not less than 30 days) and at no cost to the State, replace all Universal Cards.
 - i. Standard Universal Card replacement shall be available for, but not limited to, damaged, broken, malfunctioning magnetic strip, lost, or stolen cards.
 - ii. Contractor will ship Universal Cards to the following address via certified or express mail, for delivery during standard State working hours, 8:00 a.m. to 4:30 p.m. Central Standard Time:

Department of General Services
Motor Vehicle Management
Vehicle Assignment Section
601 Mainstream Drive
Nashville, TN 37228
 - iii. As designated by State staff, Universal Cards are to be delivered to other address(es) as may later be deemed necessary by the State.
3. The following is added as Contract Section A.10.
 - A.10. Prompt Pay Discount. The Contractor agrees to honor any prompt pay discounts as detailed in Attachment Three to this Contract.
4. Contract section B.1. is deleted in its entirety and replaced with the following:
 - B.1. This Contract shall be effective for the period beginning April 1, 2011, and ending on March 31, 2014. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.
5. Contract section C.1. is deleted in its entirety and replaced with the following:
 - C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Thirty-Eight Million Dollars and zero cents (\$38,000,000.00). The payment rates in



section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

6. Contract section C.3. is deleted in its entirety and replaced with the following:

C.3. Payment Methodology.

a. The State shall compensate the Contractor for the actual amount of purchases made by the State, including any discounts offered to the State by retailers, and in a total amount not to exceed the Contract Maximum Liability established in Section C.1. Said payments shall be for purchases by use of authorized Universal Cards that can be appropriately reconciled. In NO event shall the Contractor add or the State pay processing fees of any kind whatsoever, and compensation shall be additionally contingent upon the Contractor's satisfactory completion of service defined in Contract Section A.

b. The Contractor shall remit to the State a quarterly Retail Purchases Rebate for actual retail purchases of fuel and maintenance (services and parts). The Contractor shall pay each Retail Purchases Rebate in a lump sum no later than forty-five (45) days after the end of each calendar year of the Contract Period. It is expressly understood and agreed that the obligation set forth in this section shall survive the termination of this Contract.

(1) **Rebate Rates**— The Quarterly Retail Purchases Rebate shall be based upon the actual Aggregate Quarterly Retail Purchase and the corresponding Rebate Rate as detailed in the following schedule:

Rebate Level Description	Rebate Rate (bps of sales) Year Three (April 1, 2013 – March 31, 2014)	Rebate Rate (bps of sales) Year Four (April 1, 2014 – March 31, 2015)	Rebate Rate (bps of sales) Year Five (April 1, 2015 – March 31, 2016)
Rebate Level 21: \$0 – \$1,249,999.99, Aggregate Quarterly Retail Purchase Amount	1.6000 %	1.1000 %	1.1000 %
Rebate Level 22: \$1,250,000.00 – \$2,499,999.99, Aggregate Quarterly Retail Purchase Amount	1.6000 %	1.1000 %	1.1000 %
Rebate Level 23: \$2,500,000.00 – \$3,749,999.99, Aggregate Quarterly Retail Purchase Amount	1.6000 %	1.3000 %	1.3000 %



Rebate Level Description	Rebate Rate (bps of sales) Year Three (April 1, 2013 – March 31, 2014)	Rebate Rate (bps of sales) Year Four (April 1, 2014 – March 31, 2015)	Rebate Rate (bps of sales) Year Five (April 1, 2015 – March 31, 2016)
Rebate Level 24: \$3,750,000.00 - \$4,999,999.99, Aggregate Quarterly Retail Purchase Amount	1.6000 %	1.5000 %	1.5000 %
Rebate Level 25: \$5,000,000.00 - \$6,249,999.99, Aggregate Quarterly Retail Purchase Amount	1.6000 %	1.6000 %	1.6000 %
Rebate Level 26: \$6,250,000.00 - \$8,749,999.99, Aggregate Quarterly Retail Purchase Amount	1.6000 %	1.6500 %	1.6500 %
Rebate Level 27: \$8,750,000.00 and greater, Aggregate Quarterly Retail Purchase Amount	1.6000 %	1.7000 %	1.7000 %

(2) Rebate Calculation— The Contractor shall calculate each Quarterly Retail Purchases Rebate as follows:

i. The Aggregate Quarterly Retail Purchase Amount shall equal the sum of the total of all State of Tennessee retail purchases (excluding exempted taxes). Quarterly is equivalent to a three (3) month calendar period.

8. Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
9. Amendment Effective Date. The revisions set forth herein shall be effective April 1, 2013. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

U.S. BANK NATIONAL ASSOCIATION ND


 KELLY M. CASPERS, VICE PRESIDENT

May 1, 2013
 DATE


 COMMISSIONER STEVEN G. CATES

5/2/2013
 DATE





ATTACHMENT THREE

Prompt Pay Discount

In addition to the Rebates provided for in Contract Section C.3., the Contractor shall provide a prompt pay discount in accordance with the schedule below:

Client Held Days	Rebate	Client Held Days	Rebate	Client Held Days	Rebate
0	0.0750%	16	0.0350%	31	-0.0050%
1	0.0725%	17	0.0325%	32	-0.0100%
2	0.0700%	18	0.0300%	33	-0.0150%
3	0.0675%	19	0.0275%	34	-0.0200%
4	0.0650%	20	0.0250%	35	-0.0250%
5	0.0625%	21	0.0225%	36	-0.0300%
6	0.0600%	22	0.0200%	37	-0.0350%
7	0.0575%	23	0.0175%	38	-0.0400%
8	0.0550%	24	0.0150%	39	-0.0450%
9	0.0525%	25	0.0125%	40	-0.0500%
10	0.0500%	26	0.0100%	41	-0.0550%
11	0.0475%	27	0.0075%	42	-0.0600%
12	0.0450%	28	0.0050%	43	-0.0650%
13	0.0425%	29	0.0025%	44	-0.0700%
14	0.0400%	30	0.0000%	45	-0.0750%
15	0.0375%				

CONDITIONS:

1. Client Held 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 end dates less fifteen (15) days.
2. Client Held days must be forty-five (45) or less to earn any rebate.
3. Prompt pay discount will be calculated in aggregate for all state agencies.
4. Payments will be made on a quarterly basis.



CONTRACT

(fee-for-service contract with an individual, business, non-profit, or governmental entity of another state)

Begin Date April 1, 2011	End Date March 31, 2013	Agency Tracking # RFS #32106-00210	Edison Record ID 24800		
Contractor Legal Entity Name U.S. BANK NATIONAL ASSOCIATION ND			Edison Vendor ID 0000018347		
Subrecipient or Vendor <input type="checkbox"/> Subrecipient <input checked="" type="checkbox"/> Vendor		CFDA #	FEIN or SSN (optional) 41-1881896		
Service Caption (one line only) Universal Fleet Card, for purchase of fuel and minor repairs/services for State-owned vehicles.					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2011			5,500,000		5,500,000
2012			22,000,000		22,000,000
2013			16,500,000		16,500,000
TOTAL:			44,000,000		44,000,000
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Ownership/Control <input type="checkbox"/> African American <input type="checkbox"/> Asian <input type="checkbox"/> Hispanic <input type="checkbox"/> Native American <input type="checkbox"/> Female <input type="checkbox"/> Person w/Disability <input type="checkbox"/> Small Business <input type="checkbox"/> Government <input checked="" type="checkbox"/> NOT Minority/Disadvantaged <input type="checkbox"/> Other:					
Selection Method & Process Summary (mark the correct response to confirm the associated summary)					
<input checked="" type="checkbox"/> RFP		The procurement process was completed in accordance with the approved RFP document and associated regulations.			
<input type="checkbox"/> Competitive Negotiation		The predefined, competitive, impartial, negotiation process was completed in accordance with the associated, approved procedures and evaluation criteria.			
<input type="checkbox"/> Alternative Competitive Method		The predefined, competitive, impartial, procurement process was completed in accordance with the associated, approved procedures and evaluation criteria.			
<input type="checkbox"/> Non-Competitive Negotiation		The non-competitive contractor selection was completed as approved, and the procurement process included a negotiation of best possible terms & price.			
<input type="checkbox"/> Other		The contractor selection was directed by law, court order, settlement agreement, or resulted from the state making the same agreement with <u>all</u> interested parties or <u>all</u> parties in a predetermined "class."			
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations. <i>Ronald N. Plum</i>			OCR USE - FA		
Speed Code		Account Code			

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF GENERAL SERVICES
AND
U.S. BANK NATIONAL ASSOCIATION ND**

This Contract, by and between the State of Tennessee, Department of General Services, hereinafter referred to as the "State" and U.S. Bank National Association ND, by and on behalf of its wholly owned subsidiary, Voyager Fleet Systems Inc., hereinafter referred to as the "Contractor", is for the provision of a Universal payment card services program for the purchase of gasoline, minor maintenance, and repairs at retail locations for State of Tennessee owned vehicles, as further defined in the "SCOPE OF SERVICES."

The Contractor is a federally chartered national banking association.
Contractor Federal Employer Identification #41-1881896
Contractor Place of Incorporation or Organization: Minneapolis, Minnesota.

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract. In accordance with the scope of services detailed herein, the Contractor shall provide a "universal" charge card system of service, including pay-at-the-pump functionality, for the purchase of fuel, maintenance and repair services, and automotive parts for State vehicles and equipment (the "Card Program").

A.2. Definitions

- a. State of Tennessee, State, Tennessee State Government shall all include the primary contracting agency, Department of General Services, as well as any other State of Tennessee department, agency, or division utilizing the services available under this contract.
- b. Fiscal Year shall mean the State of Tennessee's official fiscal year, which is the period of July 1 of each calendar year through June 30 of the next calendar year.
- c. Aggregate Annual Purchases Volume shall mean the total amount of all Universal Card purchases made by the State using cards at retail sites during each contract year of the contract.
- d. Average Transaction Amount shall mean the aggregate average amount of all individual retail purchases posted to all accounts for all entities during the contract year.
- e. Retail Transactions shall mean purchases made by means of a Contractor-provided payment card (the Universal Card) at any participating retail establishment. The definition of "retail transactions" shall not include: (i) any credits, disputed items, fees, late fees, or charges such as returned check fees, collection costs, administrative fees, etc., or (ii) any charges to a card properly reported lost or stolen. It shall be understood by the Parties that invoices may include retail transactions from the previous billing cycle and may not necessarily include all retail transactions that occurred during the indicated invoice period.
- f. Volume Rebate shall mean the rebate provided, based upon aggregate annual retail purchase volume and average transaction amount to be paid in the form of a rebate at the end of each contract year.

- g. Volume Rebate Payment Date shall mean the date by which payment of any Volume Rebate reimbursements earned will be sent by Contractor to the entity entitled to such Volume Rebate. The date shall be 45 days after the end of each contract year.

A.3. Universal Card Program Overview

The Contractor shall be responsible for providing a Universal Card Program for the purchase of fuel, maintenance products, automotive parts and services for State vehicles, in accordance with the following requirements:

- a. The Contractor will provide a Universal charge card that is accepted for retail purchases of fuel and vehicle maintenance at retail locations within all 95 counties of Tennessee. The Universal Card shall also have nationwide acceptance at major fueling locations, including small and remote towns.
- b. Parts and services to be available for purchase with the Universal Card shall include, but are not limited to, the following:
- batteries
 - automotive hoses
 - fuel and maintenance filters
 - automotive belts
 - auto bulbs
 - headlamps
 - fuses
 - sparkplugs and other ignition components
 - oil change
 - transmission fluid and filters;
 - adding motor oil
 - fuel and maintenance conditioners
 - windshield wiper fluid
 - brake fluid
 - other automotive fluids
 - brake repair
 - cooling systems service or repair
- c. The Contractor shall not withhold the benefit of any promotions, offers, or discounts associated with any retail transaction.
- d. The Contractor's Universal Card shall deliver pay-at-the-pump functionality.
- e. Card assignment capability: It is the State's expectation that the majority of cards will have vehicle-specific assignment capability. Some cards will be required to be assigned to individuals, and the Contractor shall make this option available.

A.4. General

a. Retail Purchases

The Contractor shall provide a Universal Card Program for use in retail purchases of fuel and maintenance of State of Tennessee vehicles, which shall include:

- Unleaded regular, unleaded plus, unleaded premium
 - Number 2 diesel fuel (low and ultra low sulfur)
 - Alternative fuel (E85 & B20)
 - Automotive maintenance and repair services (See A.3.b. above)
- b. The State will furnish the Contractor a listing of vehicles authorized to obtain fuel under the terms of this contract.

- c. The State will designate, in writing, the names of personnel authorized to set card limits and/or approve purchases exceeding card limits. When such approvals are granted, the State will issue authorization numbers for recording and monitoring purposes.
- d. Purchases by the State are exempt from all eligible State of Tennessee and Federal taxes. Taxes imposed by other states apply on purchases within their jurisdictions. The Contractor shall apply for tax exempt status for the State's purchases and the State's invoice shall reflect the fuel cost less said taxes.
- e. The State will develop its own policies and procedures for the issuance, security and operational matters related to the Universal Card Program. The Contractor shall assist the State with development, implementation, modification or enhancement of these policies and procedures.
- f. The Contractor will meet quarterly with the State to review contract performance. At such meetings, State representatives may evaluate the Contractor's performance and advise the Contractor of any concerns or issues. Within five (5) business days, the Contractor shall develop a written plan to resolve outstanding issues. The Contractor shall then receive written approval of the plan from the Contract Administrator prior to implementation.

A.5. Universal Card

The Contractor will provide the State with a Universal Fleet Card used to make payment for a wide variety of fuel and maintenance products, automotive parts and services with the following provisions:

- a. Card Design: The Contractor will provide a plastic magnetic-strip card designed specifically and exclusively for the State of Tennessee, Motor Vehicle Management (MVM), Universal Payment Card program. Each plastic card issued shall, at a minimum:
 - (1) Display on the face of the card, the name "State of Tennessee" and the State's official seal.
 - (2) Display on the face of the card, in embossed lettering the name of the applicable State of Tennessee agency.
 - (3) Display on the face of the card, the phrase "For Official Use Only – Tax Exempt."
 - (4) Display on the back of the card, the Contractor's toll-free "help" telephone number, for services 24 hours per day, 7 days per week, 365 days a year.
 - (5) Credit card number, assigned by the Contractor, shall be displayed on the front of the card.
 - (6) The card shall NOT contain any reference to Automatic Teller Machine (ATM) usage.
 - (7) The card shall NOT contain the words "purchasing" or "procurement" on the face of the card.
 - (8) The card issuer logo is acceptable as long as all of the State of Tennessee's required information is included. The card shall NOT display other wording, design or card formats unless agreed to by the Contractor and the State.
 - (9) Possess Personal Identification Number (PIN) secure functionality, which shall be assigned by the Contractor.
- b. Card Testing, Issuance, and Replacement:
 - (1) For testing purposes, the Contractor shall submit within thirty (30) days of contract start date the number of cards to be specified by the State at contract implementation.
 - (2) For go-live purposes, the Contractor will issue approximately 6300 Universal Cards to the State within sixty (60) days of the Contract start date. The Universal Card will be shipped via certified or express mail, for delivery during standard State working

hours, 8:00 am to 4:30 pm Central Time, to the address listed in item A.5.b.2.ii of the Contract.

- (3) After initial distribution, the Contractor will issue, at no cost to the State, new and replacement Universal Cards within one (1) business day of receipt of requests for replacement from the State's Contract Administrator. Unless a Universal Card has been terminated or canceled, as provided herein, all cards will expire upon the termination of this Contract. During the course of the Contract, the Contractor may, with reasonable notice (not less than 30 days) and at no cost to the State, replace all Universal Cards.

- i. Standard Universal Card replacement shall be available for, but not be limited to, damaged, broken, malfunctioning magnetic strip, lost, or stolen cards.
- ii. Contractor will ship Universal Cards to the following address via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central Standard Time:

Department of General Services

Motor Vehicle Management
Vehicle Assignment Section
2200 Charlotte Avenue
Nashville, TN 37243-0552

- iii. As designated by State staff, Universal Cards are to be delivered to other address(es) as may later be deemed necessary by the State.

- (4) Card Restrictions:

The Contractor will provide the State with the ability to order, change, or cancel Universal Cards, through a web-based interface.

- i. Card Limits and Adjustments

(a) The Contractor will provide an initial card limit setting of four hundred dollars (\$400) per transaction, for automotive services.

(b) The Contractor will allow the State to establish higher or lower credit limits by secure means agreeable to both the State and the Contractor. Such secure means may include State submission of a written request to the Contractor, which shall be processed by the Contractor within 48 hours of receipt by the Contractor; or online account management functionality available to authorized State personnel.

(c) The Contractor will provide web-based interface by which to approve purchases above card limit settings, on a case-by-case basis. This approval process will be available 24 hours per day, 7 days per week, 365 days a year.

- ii. Standardized Classification of Products and Services: Restrictions

(a) The Contractor shall establish charge authorization procedures to ensure certain transactions are denied. The Contractor shall have no liability or responsibility with respect to the verification or correction of SICs or MCCs selected by the State, or implemented with respect to any provider of goods and/or services. The Contractor shall be capable of providing such restrictions on an individual cardholder basis as well as on an agency-wide basis.

(b) The State and the vehicle operator are not liable for unauthorized charges against a card that occur after the State notifies the Contractor of the loss, theft, or possible unauthorized use of that card.

iii. Universal Card Cancellation and Destruction

- (a) The Contractor shall, upon notification by the State, immediately terminate Universal Cards issued under this agreement. The State shall not be liable for any purchase or charge authorized after receipt of notice of termination or cancellation of a Universal Card by the Contractor from the Contract Administrator.
- (b) The Contractor will allow the State to destroy cards, in a manner mutually agreed upon, if they are damaged, cancelled, expired, or assigned to a decommissioned vehicle.

A.6. Universal Card Reporting and Invoicing

a. Technical Requirements

- (1) The Contractor shall provide a web-based program management and reporting system that is hosted by the Contractor, in the form of an Application Service Provider (ASP). The means of accessing the hosted reporting solution must be through a secure connection. In order for a connection to be deemed secure, each connection and/or connection method, and the associated security method employed, must adhere to the State's technical architecture (available upon request).
- (2) The Contractor shall establish and maintain a standard format for all electronic records. Electronic access shall consist of:
 - i. A web-based system, hosted by the Contractor, which shall allow designated State personnel to access at least 13 months of Universal Card data including, but not limited to, transaction data.
 - ii. Availability of data older than 13 months, upon request by the State.
 - iii. Availability of data in ASCII format that can be downloaded into software spreadsheets and SQL databases.
- (3) The Contractor shall ensure that the payment card services and/or applications provided under this contract are compliant with the Payment Card Industry Data Security Standards (PCIDSS). For details, please visit www.pcisecuritystandards.org.
- (4) The Contractor shall implement biannual third party security assessments (e.g. penetration tests, vulnerability scanning and reporting) to ensure that the portal remains as secure as possible over time. The Contractor shall ensure that the results are delivered to the State in a timely fashion and that there is a secure mechanism for the delivery of the assessment reports. Full audit trails must be maintained throughout the entire transaction lifetime. A rigorous change management and configuration management process shall be designed to ensure security and availability.

b. Reporting Requirements

- (1) The Contractor shall provide control access to its reporting solution by individual user IDs and passwords. The link to this information will be provided at contract implementation.

- (2) The Contractor shall provide the State with a customized transaction data extract file for upload into the State's system. This information is to be furnished on a weekly basis by a secure electronic transfer in a manner acceptable to the State. The data should be for transactions occurring on Monday through the following Sunday of every week. The data extract file will be compatible with the current State Information Architecture.
- (3)) The Contractor shall weekly submit to the State, at no additional cost, a minimum of Level III Reporting, which shall include the following information in electronic format acceptable to the State:

ITEM	MAXIMUM LENGTH	FORMAT
Purchase Date and Time	6	YYMMDD
Account Number	TBD	Numeric
Vehicle ID (unit or license #)	6	Alpha/Numeric
Odometer	7	999,999
Standardized Classification Code (Merchant Classification Code (MCC), Standard Industry Classifications (SIC), or Contractor-created standardized code acceptable to the State)	3	Alpha/Numeric
Merchant Site Unique Identifier	20	Alpha/Numeric
Merchant Name	12	Alpha/Numeric
Merchant Street Address	14	Alpha/Numeric
Merchant City, State, Zip	20	Alpha/Numeric
Number of Units (i.e., gallons)	11	999,999,999
Total Purchase Cost	10	999,999.99
Cost Per Gallon	6	Numeric
Driver Identification Number (Edison ID, if applicable)	20	Alpha/Numeric
Fuel Grade	2	Numeric
Service Type	5	Alpha/Numeric
Sales Tax (if applicable)	5	Numeric
Line Item Detail (for non-fuel purchases) ¹	25	Alpha/Numeric
Discount Amount	5	Numeric

S.S. Mc ² ¹  Line Item Detail must include, at a minimum, reasonably complete descriptions, quantities, and units of measure.

- (4) The State requires a complete management reporting package as part of the web-based program management and reporting system. The reporting system should provide a capability for State staff to query the system and create ad hoc reports, and to provide the ability to produce a series of standard reports, on a periodic basis and/or on demand. Standard reporting formats should include, but are not limited to, items listed below. The State reserves the right to request report(s) on a monthly or quarterly basis. If any of the following are not available directly from the web-based program management and reporting system, the Contractor will be expected to act in good faith to provide them at no additional cost, and within a reasonable timeframe.

i. Standard Report Formats:

Handwritten initials

- (a) Agency Summary Report consisting of agency month-to-date and year-to-date summary data shall be directed to the Contract Administrator;
 - (b) Suspended Accounts Report provides summary data indicating Suspended Accounts, Number of Days Past Due and Undisputed Amounts Past Due;
 - (c) Master Activity Report tracks vendor sales and consolidates all Universal Card activity;
 - (d) Contract Administrator Summary Report provides month-to-date and year-to-date summary data.
 - (e) Account Information Report intended for Contract Administrator providing Universal Card custodian transaction detail information;
 - (f) Universal Card Custodian Activity Reports, listing all the card custodian's fuel and maintenance activity intended for fuel and maintenance use;
 - (g) Merchant Category Detail Report lists all purchases made with each Universal Card subtotaled by a standardized code acceptable to the State, which may include the Merchant Category Code (MCC), the Standard Industry Classifications (SIC), or a Contractor-created standardized code. Information includes: Date of Transaction, Credit Card Number, Vehicle License Number, Merchant Category Code, Merchant Name, and Transaction Amount;
 - (h) Financial Summary Report serves as the official invoice, to be provided to the Contract Administrator. This monthly report provides summary information for the State.
 - (i) 1099 Reporting capability to meet Federal guidelines/requirements.
 - (j) Finance and Audit Reports designed for 1099 reporting.
- (5) The Contractor shall ensure that transmission of reports is accomplished through secure means (i.e., encrypted site/file transfer/storage).
 - (6) The State reserves the right to reject acceptance of the electronic transfer of data if it contains pricing errors that are "global" in nature (i.e., correction is not feasible). The Contractor must resubmit the data with corrections before proceeding with the transfer for the next billing cycle. Such resubmission shall not affect the State's receipt of the Volume Rebate Provision as stated in C.3.b. of the Contract.
 - (7) The Contractor shall comply with the Letter of Diversity Commitment as stipulated in Contract Attachment Two.

A.7. Fraud Detection

- a. The Contractor shall implement all necessary procedures to monitor, prevent, and identify fraudulent transactions associated with the Contractor-provided Universal cards, and shall alert the State to potential related issues. Such procedures and associated Contractor performance shall be subject to evaluation and acceptance by the State at any time during the contract period.
- b. The Contractor will provide fraudulent usage reporting through the customer service number, 7 days a week, 365 days a year, from 7:00 A.M. to 6:00 P.M.

A.8. Customer Service - All Services Provided Hereunder Shall Be At No Additional Cost To The State.

- a. The Contractor shall provide an electronic training plan for the State's Web-Based Program Management and Reporting System, for State staff people in charge of administering the Contract.



- b. The Contractor shall provide a 24-hour/365-days toll-free telephone help line to assist the State and its vehicle operators with the program. The help line shall be available at no additional cost to the State. At minimum, the customer service line will provide:
- instruction regarding payment card usage;
 - instruction regarding access to roadside assistance;
 - information regarding locations of fuel and maintenance sites;
 - fraudulent usage reporting; and
 - reporting lost or stolen cards.
- c. Customer Service Personnel
- (1) The Contractor shall provide program support services by having a minimum of the following Core Team personnel:
- i. One Relationship Manager with a minimum of two (2) years of current experience in managing large payment card programs with outstanding interpersonal and communication skills. The Relationship Manager must have management responsibility for program quality and meeting time frames. He/she must have sufficient authority to act independently to resolve quality related issues at the program level. The Relationship Manager must maintain current knowledge of the program's status and be accessible to State program and contract managers.
 - ii. One Customer Service Representative with a minimum of one (1) year of current experience as a Customer Service Representative with excellent interpersonal and communication skills. The Customer Service representative is expected to be the lead role for the day-to-day operations and interactions that may occur between the State and the Contractor. Areas of knowledge should include, but not be limited to billing, card issuance, card controls, denials disputes, and reporting. This individual must be available in person or by phone during normal business hours.
 - iii. One Technical Solutions Representative with a minimum of one (1) year of current experience in the payment card industry. The technical solutions representative is expected to coordinate the successful resolution of technological issues associated with contract delivery.

A.9. Implementation/Deliverable Schedule: The Contractor shall adhere to the following schedule.

Item	Deliverable Date
1. Provide a current list of service providers who have indicated a commitment to accepting the universal card for fuel and maintenance purchases. Please indicate by vendor and by State.	Not later than seven (7) calendar days following contract start date.
2. Customer Service Personnel assignments (Section A.8.c. et seq. of the Contract).	Not later than 10 calendar days following contract start date.
3. Reporting and Invoicing Set-up (Section A.6. et seq. of the Contract)	Not later than 15 calendar days following contract start date.
4. Conduct testing of Universal Card, which shall include, but not necessarily be limited to: <ul style="list-style-type: none"> • Invoicing procedures; • Point of purchase usage (by issue to key individuals within the Department of General Services); • System interfacing, as applicable. 	Not later than 30 calendar days following contract start date.

5. Issue initial Universal Cards (Section A.5.b.(2)) of the Contract).

Not later than 60 calendar days following contract start date.

B. CONTRACT PERIOD:

B.1. This Contract shall be effective for the period beginning April 1, 2011, and ending on March 31, 2013. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of a contract amendment. If a term extension necessitates additional funding beyond that which was included in the original Contract, an increase of the State's maximum liability will also be effected through contract amendment, and shall be based upon payment rates provided in the original Contract.

C. PAYMENT TERMS AND CONDITIONS:

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed FORTY-FOUR MILLION DOLLARS (\$44,000,000.00). The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

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The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

C.2. Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology.

a. The State shall compensate the Contractor for the actual amount of purchases made by the State, including any discounts offered to the State by retailers, and in a total amount not to exceed the Contract Maximum Liability established in Section C.1. Said payments shall be for purchases by use of authorized Universal Cards that can be appropriately reconciled. In NO event shall the Contractor add or the State pay processing fees of any kind whatsoever, and compensation shall be additionally contingent upon the Contractor's satisfactory completion of service defined in Contract Section A.

b. The Contractor shall remit to the State an annual Retail Purchases Rebate for actual retail purchases of fuel and maintenance (services and parts). The Contractor shall pay each Retail Purchases Rebate in a lump sum no later than forty-five (45) days after the

end of each calendar year of the Contract Period. It is expressly understood and agreed that the obligation set forth in this section shall survive the termination of this Contract.

- (1) Rebate Rates— The annual Retail Purchases Rebate shall be based upon the actual Aggregate Annual Retail Purchase and Annual Average Transaction Amounts and the corresponding Rebate Rate as detailed in the following schedule:

Rebate Level Description	Rebate Rate
Rebate Level 1: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99, Annual Average Transaction Amount	0.6000 %
Rebate Level 2: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99, Annual Average Transaction Amount	0.7500 %
Rebate Level 3: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99, Annual Average Transaction Amount	0.8500 %
Rebate Level 4: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99, Annual Average Transaction Amount	0.9000%
Rebate Level 5: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater, Annual Average Transaction Amount	0.9500 %
Rebate Level 6: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99, Annual Average Transaction Amount	0.6500 %
Rebate Level 7: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99, Annual Average Transaction Amount	0.8000 %
Rebate Level 8: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99, Annual Average Transaction Amount	0.9000 %
Rebate Level 9: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99, Annual Average Transaction Amount	0.9500 %
Rebate Level 10: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater, Annual Average Transaction Amount	1.0000 %
Rebate Level 11: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99, Annual Average Transaction Amount	1.2500 %

Rebate Level Description	Rebate Rate
Rebate Level 12: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99, Annual Average Transaction Amount	1.4000 %
Rebate Level 13: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99, Annual Average Transaction Amount	1.5000 %
Rebate Level 14: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99, Annual Average Transaction Amount	1.5500 %
Rebate Level 15: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater, Annual Average Transaction Amount	1.6000 %
Rebate Level 16: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99, Annual Average Transaction Amount	1.3000 %
Rebate Level 17: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99, Annual Average Transaction Amount	1.4500 %
Rebate Level 18: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99, Annual Average Transaction Amount	1.5500 %
Rebate Level 19: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99, Annual Average Transaction Amount	1.6000 %
Rebate Level 20: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater, Annual Average Transaction Amount	1.6500 %

- (2) Rebate Calculation— The Contractor shall calculate each annual Retail Purchases Rebate as follows:
- i. The Total Annual Retail Purchase Amount shall equal the sum of the total of all State of Tennessee retail purchases (excluding exempted taxes).
 - ii. The Total Number of Annual Retail Transactions shall equal the sum of the total number of all State of Tennessee retail purchases.
 - iii. The Annual Average Transaction Amount shall equal the quotient calculated by dividing the Total Annual Retail Purchase Amount by the Total Number of Annual Retail Transactions Volume, as in the formula below:

$$\frac{\text{Total Annual Retail Purchase Amount}}{\text{Total Number of Annual Retail Transactions}} = \text{Annual Average Transaction Amount}$$

- iv. The applicable Rebate Rate shall correspond to the Rebate Level defined by the Annual Retail Purchase Amount and the Annual Average Transaction Amount in the schedule at section C.3.b.(1), above.
- v. The annual Retail Purchases Rebate (payable to the State) shall equal the product of the actual amount of the State's total retail purchases during the subject calendar year multiplied by the applicable Rebate Rate, as in the formula below:

<i>Total Annual Retail purchases (by the State)</i>	X	<i>applicable Rebate Rate</i>	=	<i>Retail Purchases Rebate (payable to the State)</i>
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- C.4. On the terms and subject to the conditions hereof, Contractor agrees to make available to the State a revolving loan available through the Universal Cards, for the period set forth in Section B of this Agreement, during which period the State may borrow, repay and reborrow in accordance with the provisions hereof, provided that the total credit extended to the State shall not at any time exceed Seven Million Dollars (\$7,000,000).
- C.5. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.6. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

State of Tennessee
 Department of General Services
 Motor Vehicle Management
 2200 Charlotte Avenue
 Nashville, TN 37243

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).
 - (1) Invoice Number (assigned by the Contractor)
 - (2) Invoice Date
 - (3) Contract Number (assigned by the State)
 - (4) Customer Account Name: Department of General Services, Motor Vehicle Management
 - (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
 - (6) Contractor Name
 - (7) Contractor Federal Employer Identification, Social Security, or Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
 - (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
 - (9) Contractor Remittance Address
 - (10) Description of Delivered Service
 - (11) Complete Itemization of Charges, which shall detail the following:
 - i. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced; and
 - ii. Itemized details as stipulated in A.6.b.(3). and A.6.b.(4).
- b. The Contractor understands and agrees that an invoice under this Contract shall:
 - (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;

- (2) only be submitted for completed service and shall not include any charge for future work;
 - (3) not include sales tax or shipping charges; and
 - (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.6.
- c. For any State of Tennessee agency, as defined in A.2.a., individual billing addresses shall be supplied to the Contractor within one week after contract award.
- C.7. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.
- C.8. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.
- C.9. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.10. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.
 - a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
 - b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.
- D. STANDARD TERMS AND CONDITIONS:**
- D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall

give the Contractor at least ninety (90) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment One, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.

- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.
 - c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Victor R. Vaughn, Assistant Director
Department of General Services
Motor Vehicle Management

2200 Charlotte Avenue
Nashville, Tennessee 37243-0552
victor.vaughn@tn.gov
(615) 327-1449
FAX # (615) 327-1559

The Contractor:

Ryan Calloway, Vice President Sales, Public Sector
U.S. Bank Corporate Payment Systems
~~904 Fontaine Ct.~~ 200 South 6th Street
~~Washaw, NC 28173~~ Minneapolis, MN 55402
ryan.calloway@usbank.com
Cell # 704-905-2445
FAX # 704-243-3279



All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.
- E.5. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.
- a. The Contractor shall maintain, at minimum, the following insurance coverage:
- (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
 - (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.



- (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
 - (4) Professional Malpractice Liability with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.
- b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

NOTE: "Umbrella" or "excess" insurance is not an acceptable substitute for the specified minimum amounts of required liability and workers compensation insurance. The Contractor shall provide, no later than the contract start date, a valid certificate of insurance naming the State of Tennessee as an additional insured.

- E.6. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- E.7. Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," which shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," which shall mean customized application software developed by Contractor solely for State.
- (3) "Rights Transfer Application Software," which shall mean any pre-existing application software owned by Contractor or a third party, provided to State and

to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.

- (4) "Third-Party Software," which shall mean software not owned by the State or the Contractor.
- (5) "Work Product," which shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the system solution includes Rights Transfer Application Software, the definition of Work Product shall also include such software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted herein.
- (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer and/or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties, and Contractor shall cooperate fully in the foregoing endeavors.
- (3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted thereby.

c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.

d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.8. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
- b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;

- d. any technical specifications provided to proposers during the procurement process to award this Contract;
- e. the Contractor's proposal seeking this Contract.

E.9. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.

E.10 Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current principals, its current subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide prompt written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.11. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-32106-00210 (RFP Attachment 6.2, item B.15.) and the Contractor's Letter of Diversity Commitment (for which a sample is provided at Attachment Two of this Contract).

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

E.12. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

E.13. It is expressly understood and agreed the obligation set forth in section C.3.b. shall survive the termination of this Contract as specifically indicated therein.

IN WITNESS WHEREOF,

U.S. BANK NATIONAL ASSOCIATION ND: ^{VFA} SM By Voyager Fleet Systems Inc., Agent

3/10/11

CONTRACTOR SIGNATURE

DATE

Robert T. Abele, Executive Vice President

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF GENERAL SERVICES

3/11/11

Steven G. Cates, Commissioner

DATE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	Edison # 24800
CONTRACTOR LEGAL ENTITY NAME:	U.S. Bank National Association ND By VOYAGER FLEET SYSTEMS Inc., Agent
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	41-1881896

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

Robert T. Abele, Executive Vice President

PRINTED NAME AND TITLE OF SIGNATORY

3/10/11

DATE OF ATTESTATION



Government Banking

February 23, 2011

Paul Hauser
State of Tennessee
Department of General Services
24th Floor, Wm R Snodgrass Tower
Nashville, TN 37243

Dear Mr. Hauser,

The Bank has been asked to provide a letter defining a percentage we expect to spend on Minority and Women Owned businesses as it relates to the contract recently awarded to us. While we understand the State's Diversity initiative and the desire to apply it to various contracts awarded by the State, we have some comments related to defining a specific percentage we can commit to spending for the following reasons listed below.

- 1) There is no defined contract price – The Bank is providing credit cards for the State to utilize when fueling their vehicles. U.S. Bank is not charging the State directly for the use of these cards. The revenue earned by the bank, and subsequently rebated back to the State, is dependent upon the State's usage and the price of gasoline.
- 2) U.S. Bank Voyager Fuel Systems is headquartered in Houston and all of our cards are created and distributed from North Dakota directly to the designated State contact for security purposes. As all products and services are developed, maintained and supported in-house we do not typically contract with third parties for any aspect of this program. As such, there is no "footprint" in the State of Tennessee with which to utilize a diversity vendor.

Overall in 2010, U.S. Bank spent \$419,391 with Small, Women and Minority owned business across the State and we look to increase that number in 2011 as we move to achieve our bankwide goal of 14% diversity spend. The attached spreadsheet provides a breakdown by category and location of where those dollars were spent. Additionally, we have included two additional pages of activities the Bank has engaged in, with various diversity related entities, in Nashville and provided either financial contributions or education and training which we feel the State should include as well.

We would also be willing to commit to working with the State to identify potential new service providers from your list of minority vendors and to exchange our vendor list to make sure all of our vendors are accurately captured by the State's Office of Diversity.

If you have any questions on this matter, please feel free to contact myself at 615-251-0783 or via email at steven.chapel@usbank.com.

Regards,


2010

Tennessee

Participation of Small, Women Owned and Minority Owned Business

Classification	Spend Category	Address	City	State	Remit To Zip	Total Spend
WBE	CONTRACT LABOR	P O BOX 10684	KNOXVILLE	TN	37939-0684	\$246,597
SDV	PRINTING, STATIONERY, & SUPPLIES	P O BOX 23209	KNOXVILLE	TN	37933-1209	\$28,626
WBE	PROFESSIONAL SERVICES	920 VOLUNTEER LANDING LN	KNOXVILLE	TN	37915	\$26,025
MBE	FURNITURE & EQUIPMENT	3207 POWELL AVE	NASHVILLE	TN	37204	\$15,469
SBE	REPAIRS & MAINTENANCE EXP.-EQUIP	356 SANDERSON ST	ALCOA	TN	37701	\$14,414
SBE	FURNITURE & EQUIPMENT	2131 UTOPIA AVE	NASHVILLE	TN	37211	\$13,210
SBE	OTHER LOAN EXPENSE	5556 FRANKLIN RD STE 100	NASHVILLE	TN	37220	\$12,450
SBE	BUILDING SVCS & MAINTENANCE EXPENSE	P O BOX 14802	KNOXVILLE	TN	37914	\$12,432
MBE	OTHER FURN. & EQUIP. EXPENSES	3207 POWELL AVE	NASHVILLE	TN	37204	\$8,693
SBE	CLEANING SERVICES EXP	P O BOX 174091	NASHVILLE	TN	37217	\$6,664
SBE	OTHER FURN. & EQUIP. EXPENSES	316 MADISON ST	CLARKSVILLE	TN	37040	\$5,333
SBE	OTHER LOAN EXPENSE	2802 N HIGHLAND AVE STE A	JACKSON	TN	38305	\$4,050
SBE	BUILDING SVCS & MAINTENANCE EXPENSE	3003 INDUSTRIAL PKWY	KNOXVILLE	TN	37921	\$3,391
SDV	ADVERTISING	PO BOX 71029	KNOXVILLE	TN	37938	\$3,306
SBE	BUILDING SVCS & MAINTENANCE EXPENSE	2131 UTOPIA AVE	NASHVILLE	TN	37211	\$2,907
MBE	BUILDING SVCS & MAINTENANCE EXPENSE	PO BOX 20021	KNOXVILLE	TN	37940	\$2,677
SBE	SECURITY EXPENSE	10446 COGDILL RD	KNOXVILLE	TN	37932	\$2,443
SDV	MISC OTHER EXPENSE	P O BOX 23209	KNOXVILLE	TN	37933-1209	\$2,308
SBE	OTHER FURN. & EQUIP. EXPENSES	283 SWANSON DR	DRESDEN	TN	38225	\$1,249
SBE	PRINTING, STATIONERY, & SUPPLIES	283 SWANSON DR	DRESDEN	TN	38225	\$1,249
SBE	MECHANICAL SYSTEMS EXPENSE	2131 UTOPIA AVE	NASHVILLE	TN	37211	\$1,233
MBE	OTHER EXP.-MERC CARD	10334 COGDILL RD	KNOXVILLE	TN	37932	\$963
MBE	MISC OTHER EXPENSE	P O BOX 17070	NASHVILLE	TN	37217	\$962
MBE	REPAIRS & MAINTENANCE EXP.-EQUIP	3207 POWELL AVE	NASHVILLE	TN	37204	\$910
WBE	BUILDING SVCS & MAINTENANCE EXPENSE	622 CENTRAL AVE	KNOXVILLE	TN	37927	\$433
SDV	ADVERTISING	P O BOX 23209	KNOXVILLE	TN	37933-1209	\$351
SBE	ADVERTISING	PO BOX 400	TULLAHOMA	TN	37388	\$265
WBE	PRINTING, STATIONERY, & SUPPLIES	622 CENTRAL AVE	KNOXVILLE	TN	37927	\$163
SBE	ADVERTISING	P O BOX 1526	MURFREESBORO	TN	37133-1526	\$123
SBE	ADVERTISING	2200 CLIFTON AVE	NASHVILLE	TN	37202-3089	\$119
WBE	BUILDING SVCS & MAINTENANCE EXPENSE	511 FAIRGROUND CT	NASHVILLE	TN	37211	\$113
WBE	REPAIRS & MAINTENANCE EXP.-EQUIP	P O BOX 1000	MEMPHIS	TN	38148-0006	\$109
MBE	BUILDING SVCS & MAINTENANCE EXPENSE	P O BOX 17070	NASHVILLE	TN	37217	\$95
MBE	OTHER SERVICES EXPENSE	P O BOX 17070	NASHVILLE	TN	37217	\$35
SBE	PUBLIC RELATIONS	222 COUNCIL PL	KNOXVILLE	TN	37927	\$25
Grand Total						\$419,391



Capacity Building

U.S. Bank is actively engaged at the community level in providing capacity building programs to small businesses and nonprofit organizations. The principal objective of our program is to improve the quality of decision-making, program efficiency, and managerial performance in the planning and implementation of an organization's mission. When this objective is successfully accomplished, the result is more effective organizations, services, and programs.

Small Business Capacity Building

St. Louis, MO

More than 50 Hispanic businesses in the St. Louis area attended the June 2009 Hispanic Chamber of Commerce St. Louis (HCCSTL) Business After Hours event sponsored by U.S. Bank. Bank employees proudly showcased products and offered details about different parts of the company with a focus on small business services. HCCSTL, a nonprofit corporation, was founded 26 years ago by a group of Hispanic business people interested in increasing business opportunities for Hispanic business owners. Their mission is to promote the economic development of Hispanic firms and increase business opportunities for all in the St. Louis region. U.S. Bank maintains a long-standing, strong relationship with HCCSTL. The event was held in the historic Fashion Square Building in downtown St. Louis, which is where U.S. Bancorp Community Development Corporation is headquartered.

Nashville, TN

U.S. Bank partnered with the Nashville Area Hispanic Chamber of Commerce to conduct three small business educational seminars for members and Spanish-speaking business owners and entrepreneurs.

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TENNESSEE

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Government Banking

February 23, 2011

Paul Hauser
State of Tennessee
Department of General Services
24th Floor, Wm R Snodgrass Tower
Nashville, TN 37243

Dear Mr. Hauser,

The Bank has been asked to provide a letter defining a percentage we expect to spend on Minority and Women Owned businesses as it relates to the contract recently awarded to us. While we understand the State's Diversity initiative and the desire to apply it to various contracts awarded by the State, we have some comments related to defining a specific percentage we can commit to spending for the following reasons listed below.

- 1) There is no defined contract price – The Bank is providing credit cards for the State to utilize when fueling their vehicles. U.S. Bank is not charging the State directly for the use of these cards. The revenue earned by the bank, and subsequently rebated back to the State, is dependent upon the State's usage and the price of gasoline.
- 2) U.S. Bank Voyager Fuel Systems is headquartered in Houston and all of our cards are created and distributed from North Dakota directly to the designated State contact for security purposes. As all products and services are developed, maintained and supported in-house we do not typically contract with third parties for any aspect of this program. As such, there is no "footprint" in the State of Tennessee with which to utilize a diversity vendor.

Overall in 2010, U.S. Bank spent \$419,391 with Small, Women and Minority owned business across the State and we look to increase that number in 2011 as we move to achieve our bankwide goal of 14% diversity spend. The attached spreadsheet provides a breakdown by category and location of where those dollars were spent. Additionally, we have included two additional pages of activities the Bank has engaged in, with various diversity related entities, in Nashville and provided either financial contributions or education and training which we feel the State should include as well.

We would also be willing to commit to working with the State to identify potential new service providers from your list of minority vendors and to exchange our vendor list to make sure all of our vendors are accurately captured by the State's Office of Diversity.

If you have any questions on this matter, please feel free to contact myself at 615-251-0783 or via email at steven.chapel@usbank.com.

Regards,

2010

Tennessee

Participation of Small, Women Owned and Minority Owned Business

Classification	Spend Category	Remit To Address	Remit To City	Remit To State	Remit To Zip	Total Spend
WBE	CONTRACT LABOR	P O BOX 10684	KNOXVILLE	TN	37939-0684	\$246,597
SDV	PRINTING, STATIONERY, & SUPPLIES	P O BOX 23209	KNOXVILLE	TN	37933-1209	\$28,626
WBE	PROFESSIONAL SERVICES	920 VOLUNTEER LANDING LN	KNOXVILLE	TN	37915	\$26,025
MBE	FURNITURE & EQUIPMENT	3207 POWELL AVE	NASHVILLE	TN	37204	\$15,469
SBE	REPAIRS & MAINTENANCE EXP.-EQUIP	356 SANDERSON ST	ALCOA	TN	37701	\$14,414
SBE	FURNITURE & EQUIPMENT	2131 UTOPIA AVE	NASHVILLE	TN	37211	\$13,210
SBE	OTHER LOAN EXPENSE	5556 FRANKLIN RD STE 100	NASHVILLE	TN	37220	\$12,450
SBE	BUILDING SVCS & MAINTENANCE EXPENSE	P O BOX 14802	KNOXVILLE	TN	37914	\$12,432
MBE	OTHER FURN. & EQUIP. EXPENSES	3207 POWELL AVE	NASHVILLE	TN	37204	\$8,693
SBE	CLEANING SERVICES EXP	P O BOX 174091	NASHVILLE	TN	37217	\$6,664
SBE	OTHER FURN. & EQUIP. EXPENSES	316 MADISON ST	CLARKSVILLE	TN	37040	\$5,333
SBE	OTHER LOAN EXPENSE	2802 N HIGHLAND AVE STE A	JACKSON	TN	38305	\$4,050
SBE	BUILDING SVCS & MAINTENANCE EXPENSE	3003 INDUSTRIAL PKWY	KNOXVILLE	TN	37921	\$3,391
SDV	ADVERTISING	PO BOX 71029	KNOXVILLE	TN	37938	\$3,306
SBE	BUILDING SVCS & MAINTENANCE EXPENSE	2131 UTOPIA AVE	NASHVILLE	TN	37211	\$2,907
MBE	BUILDING SVCS & MAINTENANCE EXPENSE	PO BOX 20021	KNOXVILLE	TN	37940	\$2,677
SBE	SECURITY EXPENSE	10446 COGDILL RD	KNOXVILLE	TN	37932	\$2,443
SDV	MISC OTHER EXPENSE	P O BOX 23209	KNOXVILLE	TN	37933-1209	\$2,308
SBE	OTHER FURN. & EQUIP. EXPENSES	283 SWANSON DR	DRESDEN	TN	38225	\$1,249
SBE	PRINTING, STATIONERY, & SUPPLIES	283 SWANSON DR	DRESDEN	TN	38225	\$1,249
SBE	MECHANICAL SYSTEMS EXPENSE	2131 UTOPIA AVE	NASHVILLE	TN	37211	\$1,233
MBE	OTHER EXP.-MERC CARD	10334 COGDILL RD	KNOXVILLE	TN	37932	\$963
MBE	MISC OTHER EXPENSE	P O BOX 17070	NASHVILLE	TN	37217	\$962
MBE	REPAIRS & MAINTENANCE EXP.-EQUIP	3207 POWELL AVE	NASHVILLE	TN	37204	\$910
WBE	BUILDING SVCS & MAINTENANCE EXPENSE	622 CENTRAL AVE	KNOXVILLE	TN	37927	\$433
SDV	ADVERTISING	P O BOX 23209	KNOXVILLE	TN	37933-1209	\$351
SBE	ADVERTISING	PO BOX 400	TULLAHOMA	TN	37388	\$265
WBE	PRINTING, STATIONERY, & SUPPLIES	622 CENTRAL AVE	KNOXVILLE	TN	37927	\$163
SBE	ADVERTISING	P O BOX 1526	MURFREESBORO	TN	37133-1526	\$123
SBE	ADVERTISING	2200 CLIFTON AVE	NASHVILLE	TN	37202-3089	\$119
WBE	BUILDING SVCS & MAINTENANCE EXPENSE	511 FAIRGROUND CT	NASHVILLE	TN	37211	\$113
WBE	REPAIRS & MAINTENANCE EXP.-EQUIP	P O BOX 1000	MEMPHIS	TN	38148-0006	\$109
MBE	BUILDING SVCS & MAINTENANCE EXPENSE	P O BOX 17070	NASHVILLE	TN	37217	\$95
MBE	OTHER SERVICES EXPENSE	P O BOX 17070	NASHVILLE	TN	37217	\$35
SBE	PUBLIC RELATIONS	222 COUNCIL PL	KNOXVILLE	TN	37927	\$25
Grand Total						\$419,391



Capacity Building

U.S. Bank is actively engaged at the community level in providing capacity building programs to small businesses and nonprofit organizations. The principal objective of our program is to improve the quality of decision-making, program efficiency, and managerial performance in the planning and implementation of an organization's mission. When this objective is successfully accomplished, the result is more effective organizations, services, and programs.

Small Business Capacity Building

St. Louis, MO

More than 50 Hispanic businesses in the St. Louis area attended the June 2009 Hispanic Chamber of Commerce St. Louis (HCCSTL) Business After Hours event sponsored by U.S. Bank. Bank employees proudly showcased products and offered details about different parts of the company with a focus on small business services. HCCSTL, a nonprofit corporation, was founded 26 years ago by a group of Hispanic business people interested in increasing business opportunities for Hispanic business owners. Their mission is to promote the economic development of Hispanic firms and increase business opportunities for all in the St. Louis region. U.S. Bank maintains a long-standing, strong relationship with HCCSTL. The event was held in the historic Fashion Square Building in downtown St. Louis, which is where U.S. Bancorp Community Development Corporation is headquartered.

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**STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES**

**REQUEST FOR PROPOSALS
FOR
UNIVERSAL CARD PROGRAM**

(for purchase of fuel and automobile maintenance and minor repairs)

RFP #32106-00210

November 18, 2010

RFP CONTENTS

SECTIONS:

1. INTRODUCTION
2. RFP SCHEDULE OF EVENTS
3. PROPOSAL REQUIREMENTS
4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS
5. PROPOSAL EVALUATION & CONTRACT AWARD

ATTACHMENTS:

- 6.1. Proposal Statement of Certifications & Assurances
- 6.2. Technical Proposal & Evaluation Guide
- 6.3. Cost Proposal & Scoring Guide
- 6.4. Reference Questionnaire
- 6.5. Proposal Score Summary Matrix
- 6.6. *Pro Forma* Contract

1. INTRODUCTION

The State of Tennessee, Department of General Services, hereinafter referred to as “the State,” has issued this Request for Proposals (RFP) to define minimum service requirements; solicit proposals; detail proposal requirements; and, outline the State’s process for evaluating proposals and selecting a contractor to provide the needed service.

Through this RFP, the State seeks to buy the best services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, persons with a disability, and small business enterprises, opportunity to do business with the state as contractors and sub-contractors.

1.1. Statement of Procurement Purpose

The State intends to secure a contract for provision of Universal Card services for the purchase of gasoline and minor maintenance and repairs at retail locations. The State requires that the Universal Card will have ‘pay-at-the-pump’ functionality and widespread acceptance throughout the State and nationwide. RFP Attachment 6.7 provides contract/program background information.

Most fuel purchases will be made directly from retail outlets, and will include unleaded regular, plus, and premium, Number 2 diesel fuel (low & ultra low sulfur), as well as E85 and B20. Some purchases will be made at the 35 state-owned fueling facilities. Of those, 29 are managed by the Tennessee Department of Transportation (TDOT); two by the Department of Correction; three by Department of Safety; and one by Tennessee State University. TDOT’s current bulk fuel contractor has installed card readers (owned by the fuel supplier) at those locations.

The primary purpose of this procurement is to facilitate a more efficient means of purchasing fuels and service, with greater geographic access than is currently available. Therefore, the Universal Card must be usable in the card readers located at the State’s 35 current fueling facilities, as well as any future facilities the State should open. The awarded Contractor will be required to negotiate the necessary arrangements to make that happen, with:

- The current owner of the card readers;
- The new owner of the card readers, should ownership change or new readers be installed when TDOT’s new contract is in effect (scheduled for July 1, 2011).
- The current or new owner of the card readers, if and when the State opens new fueling facilities.

1.2 Scope of Service, Contract Period, & Required Terms and Conditions

The RFP Attachment 6.6., *Pro Forma* Contract details the State’s required:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Proposer must sign.

1.3. Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the

employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

1.4. **RFP Communications**

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

RFP #32106-00210

1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

1.4.2.1. Potential proposers must direct communications relating to this RFP to the following person designated as the RFP Coordinator.

Paul Hauser
Department of General Services
24th Floor, William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Ave.
Nashville, TN 37243
(Telephone) 615-253-7980
(Fax) 615-532-6257
paul.hauser@tn.gov

1.4.2.2. Notwithstanding the foregoing, potential proposers may contact:

- a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, women-owned, and small businesses as well as general, public information relating to this RFP; and
- b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:
Dian Douglas
Department Of General Services
Motor Vehicle Management
Nashville Tennessee 37243
(615) 327-1449 Phone; (615) 327-1559 Fax
dian.douglas@tn.gov

1.4.3. Only the State's official, written responses and communications will be binding with regard to this RFP. The State will consider oral communications of any type to be unofficial and non-binding.

1.4.4. Potential proposers must ensure that the State receives all written comments, including questions and requests for clarification, no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.4.5. Proposers must assume the risk of the method of dispatching any communication or proposal to the State. The State assumes no responsibility for delays or delivery failures

resulting from the method of dispatch. Actual or digital “postmarking” of a communication or proposal to the State by a specified deadline date will not substitute for the State’s actual receipt of a communication or proposal.

- 1.4.6. The State will convey all official responses and communications related to this RFP to the potential proposers from whom the State has received a Notice of Intent to Propose (refer to RFP Section 1.8).
- 1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State.
- 1.4.8. The State reserves the right to determine, at its sole discretion, the appropriate and adequate responses to written comments, questions, and requests related to this RFP. The State’s official, written responses will constitute an amendment of this RFP.
- 1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is within the discretion of Proposers to independently verify any information before relying thereon.

1.5. Assistance to Proposers With a Disability

Potential proposers with a disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Potential proposers may contact the RFP Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

1.6. Proposer Required Review & Waiver of Objections

- 1.6.1. Each potential proposer must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called “questions and comments”).
- 1.6.2. Any potential proposer having questions and comments concerning this RFP must provide such in writing to the State no later than the Written Comments Deadline detailed in the RFP Section 2, Schedule of Events.
- 1.6.3. Protests based on any objection shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Comments Deadline.

1.7. Pre-Proposal Conference

A Pre-Proposal Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-Proposal Conference attendance is not mandatory, and potential proposers may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

Multi Media Room
3rd Floor, William R. Snodgrass Tennessee Tower

312 Rosa L. Parks Avenue
Nashville, TN 37243

The purpose of the conference is to discuss the RFP scope of services. The State will entertain questions, however potential proposers must understand that the State's response to any question at the Pre-Proposal Conference shall be tentative and non-binding. Potential proposers should submit questions concerning the RFP in writing and must submit them prior to the Written Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to questions to potential proposers as indicated in RFP Section 1.4.6 and on the date detailed in the RFP Section 2, Schedule of Events.

1.8. **Notice of Intent to Propose**

Before the Notice of Intent to Propose Deadline detailed in the RFP Section 2, Schedule of Events, potential proposers should submit to the RFP Coordinator a Notice of Intent to Propose (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)
- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

A Notice of Intent to Propose creates no obligation and is not a prerequisite for making a proposal, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.

1.9. **Proposal Deadline**

A Proposer must ensure that the State receives a proposal no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events. A proposal must respond, as required, to this RFP (including its attachments) as may be amended. The State will not accept late proposals, and a Proposer's failure to submit a proposal before the deadline will result in disqualification of the proposal.

2. **RFP SCHEDULE OF EVENTS**

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. RFP Issued		11/18/10
2. Disability Accommodation Request Deadline	2:00 p.m.	11/23/10
3. Pre-proposal Conference	1:00 p.m.	11/29/10
4. Notice of Intent to Propose Deadline	2:00 p.m.	11/30/10
5. Written "Questions & Comments" Deadline	2:00 p.m.	12/3/10
6. State Response to Written "Questions & Comments"		12/10/10
7. Proposal Deadline	1:00 p.m.	12/17/10
8. State Completion of Technical Proposal Evaluations		12/22/10
9. State Opening & Scoring of Cost Proposals	9:00 a.m.	12/23/10
10. State Evaluation Notice Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	12/28/10
11. Contract Signing		1/11/11
12. Contractor Contract Signature Deadline	2:00 p.m.	1/12/11

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to potential proposers from whom the State has received a Notice of Intent to Propose (refer to section 1.4.6.).

3. PROPOSAL REQUIREMENTS

3.1. Proposal Form

A response to this RFP must consist of two parts, a Technical Proposal and a Cost Proposal.

- 3.1.1. **Technical Proposal.** The RFP Attachment 6.2., Technical Proposal & Evaluation Guide details specific requirements for making a Technical Proposal in response to this RFP. The guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

NOTICE: A technical proposal must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical proposal, the state will deem the proposal to be non-responsive and reject it.

- 3.1.1.1. A Proposer must use the RFP Attachment 6.2., Technical Proposal & Evaluation Guide to organize, reference, and draft the Technical Proposal by duplicating the attachment, adding appropriate proposal page numbers as required, and using the guide as a table of contents covering the Technical Proposal.
- 3.1.1.2. A proposal should be economically prepared, with emphasis on completeness and clarity. A proposal, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversize exhibits are permissible). All proposal pages must be numbered.
- 3.1.1.3. All information and documentation included in a Technical Proposal should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Proposal & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.
- 3.1.1.4. The State may determine a proposal to be non-responsive and reject it if:
- a. the Proposer fails to organize and properly reference the Technical Proposal as required by this RFP and the RFP Attachment 6.2., Technical Proposal & Evaluation Guide; or
 - b. the Technical Proposal document does not appropriately respond to, address, or meet all of the requirements and proposal items detailed in the RFP Attachment 6.2., Technical Proposal & Evaluation Guide.

- 3.1.2. **Cost Proposal.** A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

NOTICE: If a proposer fails to submit a cost proposal exactly as required, the state will deem the proposal to be non-responsive and reject it.

- 3.1.2.1. A Proposer must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.
- 3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period.
- 3.1.2.3. A Proposer must sign and date the Cost Proposal.
- 3.1.2.4. A Proposer must submit the Cost Proposal to the State in a sealed package separate from the Technical proposal (as detailed in RFP Sections 3.2.3., *et seq.*).

3.2. **Proposal Delivery**

A Proposer must deliver a proposal in response to this RFP as detailed below. The State will not accept a proposal delivered by any other method.

3.2.1. A Proposer must ensure that both the original Technical Proposal and Cost Proposal documents meet all form and content requirements detailed within this RFP for such proposals including but not limited to required signatures.

3.2.2. A Proposer must submit original Technical Proposal and Cost Proposal documents and copies as specified below.

3.2.2.1. One (1) original Technical Proposal paper document labeled:

“RFP #32106-00210 TECHNICAL PROPOSAL ORIGINAL”

and five (5) copies of the Technical Proposal each in the form of a digital document in “PDF” format properly recorded on its own otherwise blank, standard CD-R recordable disc labeled:

“RFP #32106-00210 TECHNICAL PROPOSAL COPY”

The digital copies should not include copies of sealed customer references, however any other discrepancy between the paper Technical Proposal document and any digital copies may result in the State rejecting the proposal as non-responsive.

3.2.2.2. One (1) original Cost Proposal paper document labeled:

“RFP #32106-00210 COST PROPOSAL ORIGINAL”

and one (1) copy in the form of a digital document in “PDF” format properly recorded on separate, blank, standard CD-R recordable disc labeled:

“RFP #32106-00210 COST PROPOSAL COPY”

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

3.2.3. A Proposer must separate, seal, package, and label the documents and discs for delivery as follows.

- 3.2.3.1. The Technical Proposal original document and copy discs must be placed in a sealed package that is clearly labeled:

**“DO NOT OPEN... #32106-00210 TECHNICAL PROPOSAL FROM
[PROPOSER LEGAL ENTITY NAME]”**

- 3.2.3.2. The Cost Proposal original document and copy disc must be placed in a separate, sealed package that is clearly labeled:

**“DO NOT OPEN... RFP #32106-00210 COST PROPOSAL FROM
[PROPOSER LEGAL ENTITY NAME]”**

- 3.2.3.3. The separately, sealed Technical Proposal and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**“RFP #32106-00210 SEALED TECHNICAL PROPOSAL & SEALED COST
PROPOSAL FROM [PROPOSER LEGAL ENTITY NAME]”**

- 3.2.4. A Proposer must ensure that the State receives a proposal in response to this RFP no later than the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address.

Paul Hauser
Department of General Services
24th Floor, William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243

3.3. Proposal & Proposer Prohibitions

- 3.3.1. A proposal must not include the Proposer’s own contract terms and conditions. If a proposal contains such terms and conditions, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.
- 3.3.2. A proposal must not restrict the rights of the State or otherwise qualify either the offer to deliver services as required by this RFP or the Cost Proposal. If a proposal restricts the rights of the State or otherwise qualifies either the offer to deliver services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.
- 3.3.3. A proposal must not propose alternate services (*i.e.*, offer services different from those requested and required by this RFP). The State will consider a proposal of alternate services to be non-responsive and reject it.
- 3.3.4. A Cost Proposal must not result from any collusion between Proposers. The State will reject any Cost Proposal that was not prepared independently without collusion, consultation, communication, or agreement with any other Proposer. Regardless of the time of detection, the State will consider any such actions to be grounds for proposal rejection or contract termination.
- 3.3.5. A Proposer must not provide, for consideration in this RFP process or subsequent contract negotiations, incorrect information that the Proposer knew or should have known was materially incorrect. If the State determines that a Proposer has provided such incorrect information, the State will deem the Proposer’s proposal non-responsive and reject it.

- 3.3.6. A Proposer must not submit more than one Technical Proposal and one Cost Proposal in response to this RFP. If a Proposer submits more than one Technical Proposal or more than one Cost Proposal, the State will deem all of the proposals non-responsive and reject them.
- 3.3.7. A Proposer must not submit a proposal as a prime contractor while also permitting one or more other Proposers to offer the Proposer as a subcontractor in their own proposals. Such may result in the disqualification of all Proposers knowingly involved. This restriction does not, however, prohibit different Proposers from offering the same subcontractor as a part of their proposals (provided that the subcontractor does not also submit a proposal as a prime contractor).
- 3.3.8. A Proposer must not be (and the State will not award a contract to):
- a. an individual who is, or within the past six months has been, an employee of the State of Tennessee or who is a volunteer member of a State board or commission that votes for, lets out, overlooks, or any manner superintends the services being procured in this RFP;
 - b. a company, corporation, or any other contracting entity in which an ownership of two percent (2%) or more is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee (this will not apply either to financial interests that have been placed into a “blind trust” arrangement pursuant to which the employee does not have knowledge of the retention or disposition of such interests or to the ownership of publicly traded stocks or bonds where such ownership constitutes less than 2% of the total outstanding amount of the stocks or bonds of the issuing entity);
 - c. a company, corporation, or any other contracting entity which employs an individual who is, or within the past six months has been, an employee of the State of Tennessee in a position that would allow the direct or indirect use or disclosure of information, which was obtained through or in connection with his or her employment and not made available to the general public, for the purpose of furthering the private interest or personal profit of any person; or,
 - d. any individual, company, or other entity involved in assisting the State in the development, formulation, or drafting of this RFP or its scope of services (such person or entity being deemed by the State as having information that would afford an unfair advantage over other Proposers).

For the purposes of applying the requirements of this RFP subsection 3.3.8., the State will deem an individual to be an employee of the State of Tennessee until such time as all compensation for salary, termination pay, and annual leave has been paid, but the term “employee of the State of Tennessee” shall not include individuals performing volunteer services for the State of Tennessee.

3.4. **Proposal Errors & Revisions**

A Proposer is liable for any and all proposal errors or omissions. A Proposer will not be allowed to alter or revise proposal documents after the Proposal Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

3.5. **Proposal Withdrawal**

A Proposer may withdraw a submitted proposal at any time before the Proposal Deadline time

and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Proposer representative. After withdrawing a proposal, a Proposer may submit another proposal at any time before the Proposal Deadline.

3.6. Proposal of Additional Services

If a proposal offers services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Proposer must not propose any additional cost amount(s) or rate(s) for additional services. Regardless of any additional services offered in a proposal, the Proposer's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

NOTICE: If a Proposer fails to submit a Cost Proposal exactly as required, the State will deem the proposal non-responsive and reject it.

3.7. Proposal Preparation Costs

The State will not pay any costs associated with the preparation, submittal, or presentation of any proposal.

4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

4.1. RFP Amendment

The State reserves the right to amend this RFP at any time, provided that it is amended in writing. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential proposers to meet the proposal deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential proposers who submitted a Notice of Intent to Propose (refer to RFP Section 1.8). A proposal must respond, as required, to the final RFP (including its attachments) as may be amended.

4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel or to cancel and reissue this RFP in accordance with applicable laws and regulations.

4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all proposals.

4.3.2. The State may deem as non-responsive and reject any proposal that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, a proposal's minor variances from full compliance with this RFP. If the State waives variances in a proposal, such waiver shall not modify the RFP requirements or excuse the Proposer from full compliance with such, and the State may hold any resulting Contractor to strict compliance with this RFP.

4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Proposer intends to use subcontractors, the proposal in response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a proposal in response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. The Contractor resulting from this RFP may only substitute another subcontractor for a proposed subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Contractor resulting from this RFP will be the prime contractor and will be responsible for all work under the Contract.

4.5. **Right to Refuse Personnel**

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing service in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

4.6. **Insurance**

At any time, the State may require the Contractor resulting from this RFP to provide a valid, Certificate of Insurance indicating current insurance coverage meeting minimum requirements as may be specified by this RFP. A failure to provide said documentation will be considered a material breach and grounds for contract termination.

4.7. **Licensure**

4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Proposer provides for consideration and evaluation by the State as a part of a proposal in response to this RFP, shall be properly licensed to render such opinions.

4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Proposer (and Proposer employees and subcontractors, as applicable) must hold all necessary, appropriate business and professional licenses to provide service as required. The State may require any Proposer to submit evidence of proper licensure.

4.8. **Disclosure of Proposal Contents**

4.8.1. Each proposal and all materials submitted to the State in response to this RFP become the property of the State of Tennessee. Selection or rejection of a proposal does not affect this right. By submitting a proposal, a Proposer acknowledges and accepts that the full proposal contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.

4.8.2. The State will hold all proposal information, including both technical and cost information, in confidence during the evaluation process. Notwithstanding the foregoing, a list of actual Proposers submitting timely proposals may be available to the public, upon request, after technical proposals are opened.

4.8.3. Upon completion of proposal evaluations, indicated by public release of an Evaluation Notice, the proposals and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

4.9. **Contract Approval and Contract Payments**

4.9.1. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Proposer with the apparent best-evaluated proposal or any other Proposer. State obligations pursuant to a contract award shall commence only after the contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.

4.9.2. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.

4.9.2.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for

any work done by the Contractor, even work done in good faith and even if the Contractor is orally directed to proceed with the delivery of services, if it occurs before the Contract start date or after the Contract end date.

- 4.9.2.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma* Contract, Section C).
- 4.9.2.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of services or items to be delivered to the State as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amount(s) which it determines did not result from a reasonably competitive purchase or do not represent reasonable, necessary, and actual costs.

4.10. **Contractor Performance**

The Contractor resulting from this RFP will be responsible for the completion of all service set out in this RFP (including attachments) as may be amended. All service is subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that service is progressing and being performed in compliance with the Contract, and the Contractor must cooperate with such efforts.

4.11. **Contract Amendment**

During the course of a Contract pursuant to this RFP, the State may request the Contractor to perform additional work within the general scope of the Contract and this RFP, but beyond the specified scope of service, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional work. The Contractor must respond to the State with a time schedule for accomplishing the additional work and a price for the additional work based on the rates included in the Contractor's proposal to this RFP. If the State and the Contractor reach an agreement regarding the work and associated compensation, such agreement must be effected by means of a Contract Amendment. Further, any such amendment requiring additional work must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes and rules of the State of Tennessee. The Contractor must not commence additional work until the State has issued a written Contract Amendment with all required approvals.

4.12. **Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Proposers will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

5. PROPOSAL EVALUATION & CONTRACT AWARD

5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of proposals and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each apparently responsive proposal.

EVALUATION CATEGORY	MAXIMUM POINTS POSSIBLE
General Qualifications & Experience (refer to RFP Attachment 6.2., Section B)	25
Technical Qualifications, Experience & Approach (refer to RFP Attachment 6.2., Section C)	35
Cost Proposal (refer to RFP Attachment 6.3.)	40

5.2. Evaluation Process

The proposal evaluation process is designed to award the contract resulting from this RFP not necessarily to the Proposer offering the lowest cost, but rather to the responsive and responsible Proposer offering the best combination of attributes based upon the evaluation criteria. (“Responsive Proposer” is defined as a Proposer that has submitted a proposal that conforms in all material respects to the RFP. “Responsible Proposer” is defined as a Proposer that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Proposal Evaluation.** The RFP Coordinator and the Proposal Evaluation Team (consisting of three or more State employees) will use the RFP Attachment 6.2., Technical Proposal & Evaluation Guide to manage the Technical Proposal Evaluation and maintain evaluation records.

5.2.1.1. The State reserves the right, at its sole discretion, to request Proposer clarification of a Technical Proposal or to conduct clarification discussions with any or all Proposers. Any such clarification or discussion will be limited to specific sections of the proposal identified by the State. The subject Proposer must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.

5.2.1.2. The RFP Coordinator will review each Technical Proposal to determine compliance with RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section A—Mandatory Requirements. If the RFP Coordinator determines that a proposal may have failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the proposal and document the team’s determination of whether:

- a. the proposal adequately meets requirements for further evaluation;
- b. the State will request clarifications or corrections for consideration prior to further evaluation; or,
- c. the State will determine the proposal non-responsive to the RFP and reject it.

- 5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Proposal (that appears responsive to the RFP) against the evaluation criteria in this RFP, rather than against other proposals and will score each in accordance with the RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B and Section C.
- 5.2.1.4. For each proposal evaluated, the RFP Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B and for Section C, and record each average as the proposal score for the respective Technical Proposal section.
- 5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Proposal Evaluation record and any other available information pertinent to whether or not each Proposer is responsive and responsible. If the Proposal Evaluation Team identifies any Proposer that appears not to meet the responsive and responsible thresholds such that the team would not recommend the Proposer for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.
- 5.2.2. **Cost Proposal Evaluation.** The RFP Coordinator will open for evaluation the Cost Proposal of each apparently responsive and responsible Proposer that the Proposal Evaluation Team has effectively recommended for potential contract award and will calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.
- 5.2.3. **Total Proposal Score.** The RFP Coordinator will calculate the sum of the Technical Proposal section scores and the Cost Proposal score and record the resulting number as the total score for the subject Proposal (refer to RFP Attachment 6.5., Proposal Score Summary Matrix).

5.3. **Contract Award Process**

- 5.3.1 The RFP Coordinator will submit the Proposal Evaluation Team determinations and proposal scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.
- 5.3.2. The procuring agency head will determine the apparent best-evaluated proposal. (To effect a contract award to a Proposer other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Commissioner of Finance and Administration and the Comptroller of the Treasury.)
- 5.3.3. The State reserves the right to make an award without further discussion of any proposal.
- 5.3.4. The State will issue an Evaluation Notice identifying the apparent best-evaluated proposal and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

NOTICE: The Evaluation Notice shall not create rights, interests, or claims of entitlement in either the Proposer with apparent best-evaluated proposal or any other Proposer.

- 5.3.5. The Proposer identified as offering the apparent best-evaluated proposal must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the

same as the RFP Attachment 6.6., *Pro Forma Contract*. The Proposer must sign said contract no later than the Contract Signature by Contractor Deadline detailed in the RFP Section 2, Schedule of Events. If the Proposer fails to provide the signed contract by the deadline, the State may determine that the Proposer is non-responsive to this RFP and reject the proposal.

5.3.6. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of proposal evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

5.3.7. If the State determines that a proposal is non-responsive and rejects it after opening Cost Proposals, the RFP Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated proposal.

RFP #32106-00210 PROPOSAL STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Proposer must sign and complete the Proposal Statement of Certifications and Assurances below as required, and it must be included in the Technical Proposal (as required by RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section A, Item A.1.).

The Proposer does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:

1. The Proposer will comply with all of the provisions and requirements of the RFP.
2. The Proposer will provide all services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma Contract* for the total contract period.
3. The Proposer accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma Contract*.
4. The Proposer acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Proposer will comply with:
 - (a) the laws of the State of Tennessee;
 - (b) Title VI of the federal Civil Rights Act of 1964;
 - (c) Title IX of the federal Education Amendments Act of 1972;
 - (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
 - (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the proposal submitted in response to the RFP is accurate.
7. The proposal submitted in response to the RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Proposer in connection with the RFP or any resulting contract.
9. Both the Technical Proposal and the Cost Proposal submitted in response to the RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.

By signing this Proposal Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Proposer (if an individual) or the Proposer's company *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to bind the proposing entity.

DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE PROPOSING ENTITY

SIGNATURE:

PRINTED NAME & TITLE:

DATE:

**PROPOSER LEGAL ENTITY
NAME:**

**PROPOSER FEDERAL EMPLOYER IDENTIFICATION NUMBER (or
SSN):**

TECHNICAL PROPOSAL & EVALUATION GUIDE

SECTION A: MANDATORY REQUIREMENTS. The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

The RFP Coordinator will review the proposal to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the proposal and attach a written determination. In addition to the Mandatory Requirement Items, the RFP Coordinator will review each proposal for compliance with all RFP requirements.

PROPOSER LEGAL ENTITY NAME:			
Proposal Page # (Proposer completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
		The Proposal must be delivered to the State no later than the Proposal Deadline specified in the RFP Section 2, Schedule of Events.	
		The Technical Proposal and the Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., <i>et. seq.</i>).	
		The Technical Proposal must NOT contain cost or pricing information of any type.	
		The Technical Proposal must NOT contain any restrictions of the rights of the State or other qualification of the proposal.	
		A Proposer must NOT submit alternate proposals.	
		A Proposer must NOT submit multiple proposals in different forms (as a prime and a sub-contractor).	
	A.1.	Provide the Proposal Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Proposer to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification.	
	A.2.	Provide a statement, based upon reasonable inquiry, of whether the Proposer or any individual who shall perform work under the contract has a possible conflict of interest (<i>e.g.</i> , employment by the State of Tennessee) and, if so, the nature of that conflict. NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award.	
	A.3.	Provide a current bank reference indicating that the Proposer's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months.	
	A.4.	Provide two current positive credit references from vendors with which the Proposer has done business written in the form of standard business letters, signed, and dated within the past three (3) months.	

PROPOSER LEGAL ENTITY NAME:			
Proposal Page # (Proposer completes)	Item Ref.	Section A— Mandatory Requirement Items	Pass/Fail
<i>State Use – RFP Coordinator Signature, Printed Name & Date:</i>			

TECHNICAL PROPOSAL & EVALUATION GUIDE

SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE. The Proposer must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer complete s)	Item Ref.	Section B— General Qualifications & Experience Items
	B.1.	Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the proposal.
	B.2.	Describe the Proposer’s form of business (<i>i.e.</i> , individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile).
	B.3.	Detail the number of years the Proposer has been in business.
	B.4.	Briefly describe how long the Proposer has been performing the services required by this RFP.
	B.5.	Describe the Proposer’s number of employees, client base, and location of offices.
	B.6.	Provide a statement of whether there have been any mergers, acquisitions, or sales of the Proposer within the last ten years. If so, include an explanation providing relevant details.
	B.7.	Provide a statement of whether the Proposer or, to the Proposer's knowledge, any of the Proposer’s employees, agents, independent contractors, or subcontractors, proposed to provide work on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled <i>nolo contendere</i> to any felony. If so, include an explanation providing relevant details.
	B.8.	Provide a statement of whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details.
	B.9.	Provide a statement of whether there is any material, pending litigation against the Proposer that the Proposer should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Proposer’s financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Proposer’s performance in a contract pursuant to this RFP. NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Proposer must be properly licensed to render such opinions. The State may require the Proposer to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.
	B.10.	Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Proposer. If such exists, list each separately, explain

RFP ATTACHMENT 6.2. — SECTION B (continued)

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer complete s)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>the relevant details, and attach the opinion of counsel addressing whether and to what extent it will impair the Proposer's performance in a contract pursuant to this RFP.</p> <p>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Proposer must be properly licensed to render such opinions. The State may require the Proposer to submit proof of such licensure detailing the state of licensure and licensure number for each person or entity that renders such opinions.</p>
	B.11.	Provide a brief, descriptive statement detailing evidence of the Proposer's ability to deliver the services sought under this RFP (e.g., prior experience, training, certifications, resources, program and quality management systems, etc.).
	B.12.	Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to accomplish the work required by this RFP, illustrating the lines of authority, and designating the individual responsible for the completion of each service component and deliverable of the RFP.
	B.13.	Provide a personnel roster listing the names of key people who the Proposer will assign to perform duties or services required by this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Proposer, and employment history.
	B.14.	<p>Provide a statement of whether the Proposer intends to use subcontractors to accomplish the work required by this RFP, and if so, detail:</p> <p>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;</p> <p>(b) a description of the scope and portions of the work each subcontractor will perform; <u>and</u></p> <p>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Proposer's response to this RFP.</p>
	B.15.	<p>Provide documentation of the Proposer's commitment to diversity as represented by its business strategy, business relationships, and workforce— this documentation should detail <u>all</u> of the following:</p> <p>(a) a description of the Proposer's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, persons with a disability and small business enterprises;</p> <p>(b) a listing of the Proposer's current contracts with business enterprises owned by minorities, women, persons with a disability and small business enterprises, including the following information:</p> <p>(i) contract description and total value</p> <p>(ii) contractor name and ownership characteristics (i.e., ethnicity, sex, disability)</p> <p>(iii) contractor contact and telephone number;</p> <p>(c) an estimate of the level of participation by business enterprises owned by minorities, women, persons with a disability and small business enterprises in a contract awarded to</p>

RFP ATTACHMENT 6.2. — SECTION B (continued)

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer complete s)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>the Proposer pursuant to this RFP, including the following information:</p> <ul style="list-style-type: none"> (i) participation estimate (expressed as a percent of the total contract value that will be dedicated to business with subcontractors and supply contractors having such ownership characteristics — PERCENTAGES ONLY — DO NOT INCLUDE DOLLAR AMOUNTS) (ii) descriptions of anticipated contracts (iii) names and ownership characteristics (i.e., ethnicity, sex, disability) of anticipated subcontractors and supply contractors anticipated; and (d) the percent of the Proposer’s total current employees by ethnicity, sex, and disability. <p>NOTE: Proposers that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and sub-contractors. Proposal evaluations will recognize the positive qualifications and experience of a Proposer that does business with enterprises owned by minorities, women, persons with a disability and small business enterprises and that offers a diverse workforce to meet service needs.</p>
	B.16.	<p>Provide a statement of whether or not the Proposer has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous 5-year period. If so, provide the following information for all of the current and completed contracts:</p> <ul style="list-style-type: none"> (a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract; (b) the procuring State agency name; (c) a brief description of the contract’s scope of services; (d) the contract term; and (e) the contract number. <p>NOTES:</p> <ul style="list-style-type: none"> ▪ Current or prior contracts with the State are <u>not</u> a prerequisite and are <u>not</u> required for the maximum evaluation score, and the existence of such contracts with the State will <u>not</u> automatically result in the addition or deduction of evaluation points. ▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted.
	B.17.	<p>Provide customer references from individuals (who are <u>not</u> current or former officials or staff of the State of Tennessee) for projects similar to the services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> ▪ two (2) of the larger accounts currently serviced by the Proposer, <u>and</u> ▪ three (3) completed projects. <p>All references must be provided in the form of standard reference questionnaires that have been fully completed by the individual providing the reference as required. The standard reference questionnaire, which <u>must</u> be used and completed as required, is detailed at RFP Attachment 6.4. References that are not completed as required will be considered non-responsive and will not be considered.</p> <p>The Proposer will be <u>solely</u> responsible for obtaining the fully completed reference</p>

RFP ATTACHMENT 6.2. — SECTION B (continued)

PROPOSER LEGAL ENTITY NAME:		
Proposal Page # (Proposer complete s)	Item Ref.	Section B— General Qualifications & Experience Items
		<p>questionnaires, and for including them within the Proposer’s sealed Technical Proposal. In order to obtain and submit the completed reference questionnaires, as required, follow the process detailed below.</p> <p>(a) “Customize” the standard reference questionnaire at RFP Attachment 6.4. by adding the subject Proposer’s name, and make exact duplicates for completion by references.</p> <p>(b) Send the customized reference questionnaires to each individual chosen to provide a reference along with a new standard #10 envelope.</p> <p>(c) Instruct the person that will provide a reference for the Proposer to:</p> <ul style="list-style-type: none"> (i) complete the reference questionnaire (on the form provided or prepared, completed, and printed using an exact duplicate of the document); (ii) sign <u>and</u> date the completed, reference questionnaire; (iii) seal the completed, signed, and dated, reference questionnaire within the envelope provided; (iv) sign his or her name in ink across the sealed portion of the envelope; and (v) return the sealed envelope containing the completed reference questionnaire directly to the Proposer (the Proposer may wish to give each reference a deadline, such that the Proposer will be able to collect all required references in time to include them within the sealed Technical Proposal). <p>(d) <u>Do NOT</u> open the sealed references upon receipt.</p> <p>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Proposal as required.</p> <p>NOTES:</p> <ul style="list-style-type: none"> ▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Proposal package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under <u>no</u> obligation to clarify any reference information.
SCORE (for <u>all</u> Section B—Qualifications & Experience Items above): <i>(maximum possible score = 25)</i>		
<i>State Use – Evaluator Identification:</i>		

RFP ATTACHMENT 6.2. — SECTION C

TECHNICAL PROPOSAL & EVALUATION GUIDE

SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH. The Proposer must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Proposer must also detail the proposal page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the proposal's response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The RFP Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's raw, weighted score for purposes of calculating the section score as indicated.

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
	C.1	Software Browser Submit a description of your company's system software and a statement of assurance that the current structure will have complete compatibility with the minimal technical requirements established through the State's current technical architecture. The State's technical architecture is available upon written request from the RFP Coordinator (see RFP Section 1.4.2.1.).		5	
	C.2	Network and Connectivity Submit an itemization of all major systems, components, layouts and diagrams to support the network and associated connectivity to the State of Tennessee's production environment.		7	
	C.3	Data Backup Submit a description of your company's provisions for and assurance of data storage and management security. This should describe how often complete and incremental data backups are performed, and how the vendor protects the data through off-site storage and transport.		5	
	C.4	Disaster Recovery Submit documentation of your Disaster Recovery Plan, to include alternate processing arrangement(s) to ensure the State's system is operational after a disaster (natural or man-made) within 24 hours. Identify the alternative processing site, testing cycle, and frequency.		5	
	C.5	Provide a security assessment – Submit a description of how your organization will meet the requirements of pro forma Contract Section A.6.a.(4), specifically with regard to implementation of biannual third party security assessments; ensuring that results are timely delivered to the State; and ensuring a secure mechanism for delivery of assessment reports.		5	

RFP ATTACHMENT 6.2. — SECTION C (continued)

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		<p>The Proposer must also describe how the system architecture and design supports the State's security policy requirements.</p> <p>The Proposer must provide a minimum of network, server, and transaction security concerning each part of their diagram.</p> <p>The Proposer must provide statistics regarding the frequency of upgrades released in the past 12 months and describe the upgrade process (e.g. will an application upgrade require the State to load any software on their PC or server?).</p>			
	C.6	<p>Describe your understanding and approach to providing Contract Implementation Services as described in RFP Attachment 6.6 – Pro Forma Contract Scope of Services, Section A.9.</p> <p>Your response should consist of the following, at a minimum:</p> <ol style="list-style-type: none"> 1. A detailed Initial Contract Implementation Plan. 2. A list of the Proposer's implementation team members, and a brief description of their qualifications and roles. 3. A timeline, associated tasks, and responsible parties for issuing Universal Cards not later than 45 days following the contract start date. 4. All customer support that will be provided during initial transition such as on-site visits, technical assistance, program documentation assistance, etc. 5. An electronic training plan for the <u>Proposer's Web-Based Program Management and Reporting System</u> for the following groups: <ol style="list-style-type: none"> a. State MVM Universal Card Administrator b. State MVM Program staff 6. The process, including sample documentation and file specifications, for establishing agency master accounts with their corresponding contact, hierarchy, SIC/MCC specifications and accounting code validation values. 7. The process, including sample documentation and file specifications, for establishing current cardholder accounts as well as future mass cardholder account setups. 8. The process, including sample documentation and file specifications, for establishing and receiving the <u>Transaction Data Extract File</u> as described in RFP Attachment 6.6 - Pro Forma Contract Scope of Services, Section A.6.b.2. 		15	
	C.7	<p>Security</p> <p>The Proposer shall provide documentation of its approach to</p>		5	

RFP ATTACHMENT 6.2. — SECTION C (continued)

PROPOSER LEGAL ENTITY NAME:															
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score										
		security including the ability to meet the following requirements: 1. Ensure the implementation and maintenance of industry and payment card association standard security guidelines, protocols and procedures. 2. Describe fraud detection system that will be used to identify potentially fraudulent transactions and the process to notify the State. 3. Provide an audit trail of the aforementioned fraud detection system information and any other evidence of security breaches to the State and its affiliates. 4. Ensure full cooperation with State officials and law enforcement agencies in case of security breaches involving criminal and/or no criminal activity. 5. Describe overall, system-wide restrictions that would limit payment card use to fuel and maintenance items only. Provide details on any other circumstances where a restriction may be applied. 6. Describe restrictions that can be placed on the payment card to limit purchases of fuel and maintenance by type, grade, dollar amount, and volume. 7. Describe options available to vehicle operator if a card fails to scan because of a bad magnetic-stripe or inoperable equipment. 8. Provide statistics on fraud associated with proposer's card programs.													
	C.8	Provide a description of electronic record information that will be supplied to the State, with the minimum requirements as stated in the Pro forma Contract section A.6.b.3 (Level III Reporting).		12											
	C.9	In MSExcel format, on a <u>compact disc only</u> , submit a current spreadsheet detailing your company's service providers for fuel and maintenance, within the State of Tennessee, by vendor. Use the following layout: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Vendor</th> <th>Retail Address</th> <th>Fueling Services Available (yes/no)</th> <th>Maintenance Services Available (yes/no)</th> <th>Parts Services Available (yes/no)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Vendor	Retail Address	Fueling Services Available (yes/no)	Maintenance Services Available (yes/no)	Parts Services Available (yes/no)							5	
Vendor	Retail Address	Fueling Services Available (yes/no)	Maintenance Services Available (yes/no)	Parts Services Available (yes/no)											
	C.10	Fully disclose any known limitations to widespread acceptance of the proposed Universal Card among retailers.		5											
	C.11	On a CD-R recordable disc, submit a PowerPoint demonstration that details and describes: a. operation of the Universal Card Program; b. the program's key functions; c. how specific transactions will work at the pump;		6											

RFP ATTACHMENT 6.2. — SECTION C (continued)

PROPOSER LEGAL ENTITY NAME:					
Proposal Page # (Proposer completes)	Item Ref.	Section C— Technical Qualifications, Experience & Approach Items	Item Score	Evaluation Factor	Raw Weighted Score
		d. your proposed invoice, and describe how invoices will be submitted to the State; e. your plan to net out State and taxes; and f. the appearance of both fuel-only and service/repair receipts. NOTE: Service/repair receipts must contain line item detail that includes, <u>at a minimum</u> , parts descriptions, service & repair detail, units of measure, and quantities. Your PowerPoint document should be designed as if you were planning to deliver it to a live audience. Additional content, if any, should be submitted in PDF format.			
	C.12	On a CD-R recordable disc, submit a PowerPoint demonstration that details how your company intends to meet the State’s Level III Reporting requirement, detailed in pro forma Contract Section A.6.b.3. Include in your description applicable PowerPoint documents that demonstrate report appearances. Your PowerPoint document should be designed as if you were planning to deliver it to a live audience. Additional content, if any, should be submitted in PDF format.		5	
	C.13	Downtime/continuity of service. Provide a description of the processes and procedures in place to prevent interruptions in service if the system is down. Disclose downtime statistics for the past 12 months and any continuity of service precautions taken to maintain maximum uptime.		10	
	C.14	Provide a narrative that illustrates how the Proposer will manage its ongoing obligations under the contract, including retaining of merchant relationships, and resolution of billing errors and/or disputed charges.		5	
	C.15	Describe Proposer’s plan for: <ul style="list-style-type: none"> • routine day-to-day issuance, replacement and cancellation of cards and/or PINS • expiration terms for cards and PINS • provision – upon infrequent request by the State – of cards with specific assignment to individuals, rather than to vehicles. 		5	

RFP ATTACHMENT 6.2. — SECTION C (continued)

<p><i>The RFP Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.</i></p>	<p>Total Raw Weighted Score: <i>(sum of Raw Weighted Scores above)</i></p>							
<table style="width: 100%; border: none;"> <tr> <td style="text-align: center; border-bottom: 1px solid black;">Total Raw Weighted Score</td> <td style="text-align: center;">X 35</td> <td style="text-align: center;">= SCORE:</td> </tr> <tr> <td style="text-align: center;">Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i></td> <td style="text-align: center;"><i>(maximum possible score)</i></td> <td></td> </tr> </table>	Total Raw Weighted Score	X 35	= SCORE:	Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i>	<i>(maximum possible score)</i>			
Total Raw Weighted Score	X 35	= SCORE:						
Maximum Possible Raw Weighted Score <i>(i.e., 5 x the sum of item weights above)</i>	<i>(maximum possible score)</i>							
<p><i>State Use – Evaluator Identification:</i></p>								
<p><i>State Use – RFP Coordinator Signature, Printed Name & Date:</i></p>								

RFP ATTACHMENT 6.3.

COST PROPOSAL & SCORING GUIDE

NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED

COST PROPOSAL SCHEDULE— The Cost Proposal, detailed below, shall indicate the proposed price for the entire scope of service including all services defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFP. All percentage amounts shall be limited to **four (4)** places to the right of the decimal point.

NOTICE: The Evaluation Factor associated with each cost item is for evaluation purposes only. The evaluation factors do NOT and should NOT be construed as any type of volume guarantee or minimum purchase quantity. The evaluation factors shall NOT create rights, interests, or claims of entitlement in the Proposer.

Notwithstanding the cost items herein, pursuant to the second paragraph of the pro forma contract section C.1. (refer to RFP Attachment 6.6.), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the proposing entity.

PROPOSER SIGNATURE:	
PRINTED NAME & TITLE:	
DATE:	

**REBATE FOR RETAIL PURCHASES
BASED UPON ANNUAL TOTAL PURCHASE AMOUNT & AVERAGE TRANSACTION AMOUNT**

INSTRUCTIONS: In the table below, complete the unshaded cells with the proposed rebate rate for each cost item (each of which is comprised by an annual total retail purchase amount range and an average transaction amount range). Complete each cell with the proposed percentage for each cost item (*i.e.*, total purchase amount and average transaction amount level) that the Proposer offers to apply to the actual, annual total purchase amount to calculate the rebate amount which the Proposer, then Contractor, would remit to the state following each year of the contract as required and further detailed in the *pro forma* contract of this RFP.

NOTICE: **ALL UNSHADED CELLS MUST BE COMPLETED WITH A PERCENTAGE GREATER THAN ZERO ("0.0000%") AND WITH A MAXIMUM OF FOUR (4) DIGITS TO THE RIGHT OF THE DECIMAL. Any failure to meet this requirement shall render the proposal non-responsive, and the state will reject it.**

FOR INFORMATIONAL PURPOSES ONLY: The total state Fiscal Year 2010 expenditure for fuel and maintenance at retail was \$20,363,773. Future expenditures may be comparable, but no particular amount is guaranteed.

PROPOSER LEGAL ENTITY NAME:			
Item Description	Proposed Rebate Rate	Evaluation Factor	Evaluation Cost (Rebate Rate x Evaluation Factor)
Rebate Level 1: \$0 – \$14,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99 , Annual Average Transaction Amount	%	5	
Rebate Level 2: \$0 – \$14,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99 , Annual Average Transaction Amount	%	7	
Rebate Level 3: \$0 – \$14,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99 , Annual Average Transaction Amount	%	18	
Rebate Level 4: \$0 – \$14,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99 , Annual Average Transaction Amount	%	14	
Rebate Level 5: \$0 – \$14,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater , Annual Average Transaction Amount	%	6	
Rebate Level 6: \$15,000,000.00 – \$19,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99 , Annual Average Transaction Amount	%	25	
Rebate Level 7: \$15,000,000.00 – \$19,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99 , Annual Average Transaction Amount	%	35	
Rebate Level 8: \$15,000,000.00 – \$19,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99 , Annual Average Transaction Amount	%	90	
Rebate Level 9: \$15,000,000.00 – \$19,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99 , Annual Average Transaction Amount	%	70	

RFP ATTACHMENT 6.3. (continued)

PROPOSER LEGAL ENTITY NAME:			
Item Description	Proposed Rebate Rate	Evaluation Factor	Evaluation Cost (Rebate Rate x Evaluation Factor)
Rebate Level 10: \$15,000,000.00 – \$19,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater , Annual Average Transaction Amount	%	30	
Rebate Level 11: \$20,000,000.00 – \$24,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99 , Annual Average Transaction Amount	%	50	
Rebate Level 12: \$20,000,000.00 – \$24,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99 , Annual Average Transaction Amount	%	70	
Rebate Level 13: \$20,000,000.00 – \$24,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99 , Annual Average Transaction Amount	%	180	
Rebate Level 14: \$20,000,000.00 – \$24,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99 , Annual Average Transaction Amount	%	140	
Rebate Level 15: \$20,000,000.00 – \$24,999,999.99 , Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater , Annual Average Transaction Amount	%	60	
Rebate Level 16: \$25,000,000.00 and greater , Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99 , Annual Average Transaction Amount	%	20	
Rebate Level 17: \$25,000,000.00 and greater , Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99 , Annual Average Transaction Amount	%	28	
Rebate Level 18: \$25,000,000.00 and greater , Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99 , Annual Average Transaction Amount	%	72	

RFP ATTACHMENT 6.3. (continued)

PROPOSER LEGAL ENTITY NAME:			
Item Description	Proposed Rebate Rate	Evaluation Factor	Evaluation Cost (Rebate Rate x Evaluation Factor)
Rebate Level 19: \$25,000,000.00 and greater , Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99 , Annual Average Transaction Amount	%	56	
Rebate Level 20: \$25,000,000.00 and greater , Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater , Annual Average Transaction Amount	%	24	
EVALUATION COST AMOUNT (sum of evaluation costs above): The RFP Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.			
Proposed Rebate Amount Being Evaluated <hr/> Highest Evaluated Rebate Amount from ALL Proposals	x 40 (maximum section score)	= SCORE:	
<i>State Use – RFP Coordinator Signature, Printed Name & Date:</i>			

RFP ATTACHMENT 6.6.**RFP # 32106-00210 PRO FORMA CONTRACT**

The *pro forma* contract detailed in following pages of this exhibit contains some “blanks” (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.

PRO FORMA CONTRACT

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF GENERAL SERVICES
AND
CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Department of General Services, hereinafter referred to as the "State" and **Contractor Legal Entity Name**, hereinafter referred to as the "Contractor," is for the provision of a Universal payment card services program for the purchase of gasoline, minor maintenance, and repairs at retail locations for State of Tennessee owned vehicles, as further defined in the "SCOPE OF SERVICES."

The Contractor is **a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.**

Contractor Federal Employer Identification, Social Security, or Edison Registration ID # **Number**

Contractor Place of Incorporation or Organization: **Location**

A. SCOPE OF SERVICES:

A.1. The Contractor shall provide all service and deliverables as required, described, and detailed by this Scope of Services and shall meet all service and delivery timelines specified in the Scope of Services section or elsewhere in this Contract. In accordance with the scope of services detailed herein, the Contractor shall provide a "universal" charge card system of service, including pay-at-the-pump functionality, for the purchase of fuel, maintenance and repair services, and automotive parts for State vehicles and equipment.

A.2. Definitions

- a. State of Tennessee, State, Tennessee State Government shall all include the primary contracting agency, Department of General Services, as well as any other State of Tennessee department, agency, or division utilizing the services available under this contract.
- b. Fiscal Year shall mean the State of Tennessee's official fiscal year, which is the period of July 1 of each calendar year through June 30 of the next calendar year.
- c. Aggregate Annual Purchases Volume shall mean the total amount of all Universal Card purchases made by the State using cards at retail sites during each contract year of the contract.
- d. Average Transaction Amount shall mean the aggregate average amount of all individual retail purchases posted to all accounts for all entities during the contract year.
- e. Retail Transactions shall mean purchases made by means of a Contractor-provided payment card (the Universal Card) at any participating retail establishment. The definition of "retail transactions" shall not include: (i) any credits, disputed items, fees, late fees, or charges such as returned check fees, collection costs, administrative fees, etc., or (ii) any charges to a card properly reported lost or stolen. It shall be understood by the Parties that invoices may include retail transactions from the previous billing cycle and may not necessarily include all retail transactions that occurred during the indicated invoice period.
- f. Volume Rebate shall mean the rebate provided, based upon annual retail purchases and average transaction amount to be paid in the form of a rebate at the end of each contract year.
- g. Volume Rebate Payment Date shall mean the date by which payment of any Volume Rebate reimbursements earned will be sent by Contractor to the entity entitled to such Volume Rebate. The date shall be 45 days after the end of each contract year.

A.3. Universal Card Program Overview

The Contractor shall be responsible for providing a Universal Card Program for the purchase of fuel, maintenance products, automotive parts and services for State vehicles, in accordance with the following requirements:

- a. The Contractor will provide a Universal charge card that is accepted for retail purchases of fuel and vehicle maintenance at retail locations within all 95 counties of Tennessee. The Universal Card shall also have nationwide acceptance at major fueling locations, including small and remote towns.
- b. All parts must be installed and maintenance services performed on the vehicle at the time of purchase. These parts/services include, but are not limited to the following:
 - batteries
 - automotive hoses
 - fuel and maintenance filters
 - automotive belts
 - auto bulbs
 - headlamps
 - fuses
 - sparkplugs and other ignition components
 - oil change
 - transmission fluid and filters;
 - adding motor oil
 - fuel and maintenance conditioners
 - windshield wiper fluid
 - brake fluid
 - other automotive fluids
 - brake repair
 - cooling systems service or repair
- c. The Contractor shall not withhold the benefit of any promotions, offers, or discounts associated with any retail transaction.
- d. The Contractor's Universal Card shall deliver pay-at-the-pump functionality.
- e. Card assignment capability: It is the State's expectation that the majority of cards will have vehicle-specific assignment capability. Some cards will be required to be assigned to individuals, and the Contractor shall make this option available.
- f. The Universal Card must be usable in the card readers located at the State's current fueling facilities (currently numbering 35), as well as any future facilities the State should open. The awarded Contractor will be required to negotiate the necessary arrangements to make that happen, with:
 - The current owner of the card readers;
 - The new owner of the card readers, should ownership change or new readers be installed when TDOT's new contract is in effect (scheduled for July 1, 2011).
 - The current or new owner of the card readers, if and when the State opens new fueling facilities.

A.4. General

- a. Retail Purchases

The Contractor shall provide a Universal Card Program for use in retail purchases of fuel and maintenance of State of Tennessee vehicles, which shall include:

 - Unleaded regular, unleaded plus, unleaded premium
 - Number 2 diesel fuel (low and ultra low sulfur)
 - Alternative fuel (E85 & B20)
 - Automotive maintenance and repair services (See A.3.b. above)
- b. The State will furnish the Contractor a listing of vehicles authorized to obtain fuel under the terms of this contract.
- c. The State will designate, in writing, the names of personnel authorized to set card limits and/or approve purchases exceeding card limits. When such approvals are granted, the State will issue authorization numbers for recording and monitoring purposes.
- d. Purchases by the State are exempt from all eligible State of Tennessee and Federal taxes. Taxes imposed by other states apply on purchases within their jurisdictions. The Contractor shall apply for

tax exempt status for the State's purchases and the State's invoice shall reflect the fuel cost less said taxes.

- e. The State will develop its own policies and procedures for the issuance, security and operational matters related to the Universal Card Program. The Contractor shall assist the State with development, implementation, modification or enhancement of these policies and procedures.
- f. The Contractor will meet quarterly with the State to review contract performance. At such meetings, State representatives may evaluate the Contractor's performance and advise the Contractor of any concerns or issues. Within five (5) business days, the Contractor shall develop a written plan to resolve outstanding issues. The Contractor shall then receive written approval of the plan from the Contract Administrator prior to implementation.

A.5. Universal Card

The Contractor will provide the State with a Universal Fleet Card used to make payment for a wide variety of fuel and maintenance products, automotive parts and services with the following provisions:

- a. Card Design: The Contractor will provide a plastic magnetic-strip card designed specifically and exclusively for the State of Tennessee, Motor Vehicle Management (MVM), Universal Payment Card program. Each plastic card issued shall, at a minimum:
 - (1) Display on the face of the card, the name "State of Tennessee" and the State's official seal.
 - (2) Display on the face of the card, in embossed lettering the name of the applicable State of Tennessee agency.
 - (3) Display on the face of the card, the phrase "For Official Use Only – Tax Exempt."
 - (4) Display on the back of the card, the Contractor's toll-free "help" telephone number, for services 24 hours per day, 7 days per week, 365 days a year.
 - (5) Credit card number, assigned by the Contractor, shall be displayed on the front of the card.
 - (6) The card shall NOT contain any reference to Automatic Teller Machine (ATM) usage.
 - (7) The card shall NOT contain the words "purchasing" or "procurement" on the face of the card.
 - (8) The card issuer logo is acceptable as long as all of the State of Tennessee's required information is included. The card shall NOT display other wording, design or card formats unless agreed to by the Contractor and the State.
 - (9) Possess Personal Identification Number (PIN) secure functionality, which shall be assigned by the Contractor.
- b. Card Testing, Issuance, and Replacement:
 - (1) For testing purposes, the Contractor shall submit within thirty (30) days of contract start date the number of cards to be specified by the State at contract implementation.
 - (2) For go-live purposes, the Contractor will issue approximately 6300 Universal Cards to the State within forty-five (45) days of the Contract start date. The Universal Card will be shipped via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central Time, to the address listed in item A.5.b.2.ii of the Contract.
 - (3) After initial distribution, the Contractor will issue, at no cost to the State, new and replacement Universal Cards within one (1) business day of receipt of requests for replacement from the State's Contract Administrator. Unless a Universal Card has been terminated or canceled, as provided herein, all cards will expire upon the termination of this Contract. During the course of the Contract, the Contractor may, with reasonable notice (not less than 30 days) and at no cost to the State, replace all Universal Cards.
 - i. Standard Universal Card replacement shall be available for, but not be limited to, damaged, broken, malfunctioning magnetic strip, lost, or stolen cards.
 - ii. Contractor will ship Universal Cards to the following address via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central Standard Time:

Department of General Services
Motor Vehicle Management
Vehicle Assignment Section
2200 Charlotte Avenue
Nashville, TN 37243-0552

- iii. As designated by State staff, Universal Cards are to be delivered to other address(es) as may later be deemed necessary by the State.
- (4) Card Restrictions:

The Contractor will provide the State with the ability to order, change, or cancel Universal Cards, through a web-based interface.

 - i. Card Limits and Adjustments
 - (a) The Contractor will provide an initial card limit setting of four hundred dollars (\$400) per transaction, for automotive services.
 - (b) The Contractor will allow the State to establish higher or lower credit limits by secure means agreeable to both the State and the Contractor. Such secure means may include State submission of a written request to the Contractor, which shall be processed by the Contractor within 48 hours of receipt by the Contractor; or online account management functionality available to authorized State personnel.
 - (c) The Contractor will provide web-based interface by which to approve purchases above card limit settings, on a case-by-case basis. This approval process will be available 24 hours per day, 7 days per week, 365 days a year.
 - ii. Standardized Classification of Products and Services: Restrictions
 - (a) The Contractor shall establish charge authorization procedures to ensure that unauthorized transactions are denied. Unauthorized transactions will be based on a mutually agreeable standardized classification of products and services (i.e. Standard Industry Classifications (SIC), Merchant Category Codes (MCC), or a Contractor-created code agreeable to the State). The Contractor shall have no liability or responsibility with respect to the verification or correction of code selected by the State or implemented with respect to any provider of fuel and maintenance products, and automotive parts and services.
 - (b) The Contractor shall disallow and prevent purchases of the following:
 - Products and services whose codes the State currently – or at any time during the term of this contract – deems inappropriate for Universal Card use, including codes for unapproved maintenance and repair service;
 - Entertainment expenditures (the State will coordinate with the Contractor to determine which codes are entertainment related); and
 - Cash advances from banks or automated teller machines.
 - (c) The State and the vehicle operator are not liable for unauthorized charges against a card that occur after the State notifies the Contractor of the loss, theft, or possible unauthorized use of that card.
 - iii. Universal Card Cancellation and Destruction
 - (a) The Contractor shall, upon notification by the State, immediately terminate Universal Cards issued under this agreement. The State shall not be liable for any purchase or charge authorized after receipt of notice of termination or cancellation of a Universal Card by the Contractor from the Contract Administrator.
 - (b) The Contractor will allow the State to destroy cards, in a manner mutually agreed upon, if they are damaged, cancelled, expired, or assigned to a decommissioned vehicle.

A.6. Universal Card Reporting and Invoicing

a. Technical Requirements

- (1) The Contractor shall provide a web-based program management and reporting system that is hosted by the Contractor, in the form of an Application Service Provider (ASP). The means of accessing the hosted reporting solution must be through a secure connection. In order for a connection to be deemed secure, each connection and/or connection method, and the associated security method employed, must adhere to the State's technical architecture (available upon request).

- (2) The Contractor shall establish and maintain a standard format for all electronic records. Electronic access shall consist of:
 - i. A web-based system, hosted by the Contractor, which shall allow designated State personnel to access at least 13 months of Universal Card data including, but not limited to, transaction data.
 - ii. Availability of data older than 13 months, upon request by the State.
 - iii. Availability of data in ASCII format that can be downloaded into software spreadsheets and SQL databases.
- (3) The Contractor shall ensure that the payment card services and/or applications provided under this contract are compliant with the Payment Card Industry Data Security Standards (PCIDSS). For details, please visit www.pcisecuritystandards.org.
- (4) The Contractor shall implement biannual third party security assessments (e.g. penetration tests, vulnerability scanning and reporting) to ensure that the portal remains as secure as possible over time. The Contractor shall ensure that the results are delivered to the State in a timely fashion and that there is a secure mechanism for the delivery of the assessment reports. Full audit trails must be maintained throughout the entire transaction lifetime. A rigorous change management and configuration management process shall be designed to ensure security and availability.

b. Reporting Requirements

- (1) The Contractor shall provide control access to its reporting solution by individual user IDs and passwords. The link to this information will be provided at contract implementation.
- (2) The Contractor shall provide the State with a customized transaction data extract file for upload into the State's system. This information is to be furnished on a weekly basis by a secure electronic transfer in a manner acceptable to the State. The data should be for transactions occurring on Monday through the following Sunday of every week. The data extract file will be compatible with the current State Information Architecture.
- (3) The Contractor shall weekly submit to the State, at no additional cost, a minimum of Level III Reporting, which shall include the following information in electronic format acceptable to the State:

ITEM	MAXIMUM LENGTH	FORMAT
Purchase Date and Time	6	YYMMDD
Account Number	TBD	Numeric
Vehicle ID (unit or license #)	6	Alpha/Numeric
Odometer	7	999,999
Standardized Classification Code (Merchant Classification Code (MCC), Standard Industry Classifications (SIC), or Contractor-created standardized code acceptable to the State)	3	Alpha/Numeric
Merchant Site Unique Identifier	20	Alpha/Numeric
Merchant Name	12	Alpha/Numeric
Merchant Street Address	14	Alpha/Numeric
Merchant City, State, Zip	20	Alpha/Numeric
Number of Units (i.e., gallons)	11	999,999,999
Total Purchase Cost	10	999,999.99
Cost Per Gallon	6	Numeric
Driver Identification Number (Edison ID, if applicable)	20	Alpha/Numeric
Fuel Grade	2	Numeric
Service Type	5	Alpha/Numeric
Sales Tax (if applicable)	5	Numeric

Line Item Detail (for non-fuel purchases) ¹	25	Alpha/Numeric
Discount Amount	5	Numeric

¹ Line Item Detail must include, at a minimum, reasonably complete descriptions, quantities, and units of measure.

Notwithstanding this requirement, the State recognizes that Level III Reporting will not be available 100% of the time from 100% of retailers. The Contractor is expected to make a good faith effort at collecting the required data elements.

- (4) The State requires a complete management reporting package as part of the web-based program management and reporting system. The reporting system should provide a capability for State staff to query the system and create ad hoc reports, and to provide the ability to produce a series of standard reports, on a periodic basis and/or on demand. Standard reporting formats should include, but are not limited to, items listed below. The State reserves the right to request report(s) on a monthly or quarterly basis. If any of the following are not available directly from the web-based program management and reporting system, the Contractor will be expected to act in good faith to provide them at no additional cost, and within a reasonable timeframe.

i. Standard Report Formats:

- (a) Agency Summary Report consisting of agency month-to-date and year-to-date summary data shall be directed to the Contract Administrator;
 - (b) Suspended Accounts Report provides summary data indicating Suspended Accounts, Number of Days Past Due and Undisputed Amounts Past Due;
 - (c) Master Activity Report tracks vendor sales and consolidates all Universal Card activity;
 - (d) Contract Administrator Summary Report provides month-to-date and year-to-date summary data.
 - (e) Account Information Report intended for Contract Administrator providing Universal Card custodian transaction detail information;
 - (f) Universal Card Custodian Activity Reports, listing all the card custodian's fuel and maintenance activity intended for fuel and maintenance use;
 - (g) Merchant Category Detail Report lists all purchases made with each Universal Card subtotaled by merchant category code. Information includes: Date of Transaction, Credit Card Number, Vehicle License Number, Merchant Category Code, Merchant Name, and Transaction Amount;
 - (h) Financial Summary Report serves as the official invoice, to be provided to the Contract Administrator. This monthly report provides summary information for the State.
 - (i) 1099 Reporting capability to meet Federal guidelines/requirements.
 - (j) Finance and Audit Reports designed for 1099 reporting.
- (5) The Contractor shall ensure that transmission of reports is accomplished through secure means (i.e., encrypted site/file transfer/storage).
- (6) The State reserves the right to reject acceptance of the electronic transfer of data if it contains pricing errors that are "global" in nature (i.e., correction is not feasible). The Contractor must resubmit the data with corrections before proceeding with the transfer for the next billing cycle. Such resubmission shall not affect the State's receipt of the Volume Rebate Provision as stated in C.3.b. of the Contract.
- (7) The Contractor shall comply with the Letter of Diversity Commitment as stipulated in Contract Attachment Two.

A.7. Fraud Detection

- a. The Contractor shall implement all necessary procedures to monitor, prevent, and identify fraudulent transactions associated with the Contractor-provided Universal cards, and shall alert the State to potential related issues. Such procedures and associated Contractor performance shall be subject to evaluation and acceptance by the State at any time during the contract period.

- b. The Contractor will provide fraudulent usage reporting through the customer service number, 7 days a week, 365 days a year, from 7:00 A.M. to 6:00 P.M.

A.8. Customer Service - All Services Provided Hereunder Shall Be At No Additional Cost To The State.

- a. The Contractor shall provide an electronic training plan for the State's Web-Based Program Management and Reporting System, for State staff people in charge of administering the Contract.
- b. The Contractor shall provide a 24-hour/365-days toll-free telephone help line to assist the State and its vehicle operators with the program. The help line shall be available at no additional cost to the State. At minimum, the customer service line will provide instruction regarding:
- payment card usage;
 - access to roadside assistance;
 - information regarding locations of fuel and maintenance sites;
 - fraudulent usage reporting; and
 - reporting lost or stolen cards.

b. Customer Service Personnel

- (1) The Contractor shall provide program support services by having a minimum of the following Core Team personnel:
- i. One Relationship Manager with a minimum of two (2) years of current experience in managing large payment card programs with outstanding interpersonal and communication skills. The Relationship Manager must have management responsibility for program quality and meeting time frames. He/she must have sufficient authority to act independently to resolve quality related issues at the program level. The Relationship Manager must maintain current knowledge of the program's status and be accessible to State program and contract managers.
 - ii. One Customer Service Representative with a minimum of one (1) year of current experience as a Customer Service Representative with excellent interpersonal and communication skills. The Customer Service representative is expected to be the lead role for the day-to-day operations and interactions that may occur between the State and the Contractor. Areas of knowledge should include, but not be limited to billing, card issuance, card controls, denials disputes, and reporting. This individual must be available in person or by phone during normal business hours.
 - iii. One Technical Solutions Representative with a minimum of one (1) year of current experience in the payment card industry. The technical solutions representative is expected to coordinate the successful resolution of technological issues associated with contract delivery.

A.9. Implementation/Deliverable Schedule: The Contractor shall adhere to the following schedule.

<u>Item</u>	<u>Deliverable Date</u>
1. Provide a current list of service providers who have indicated a commitment to accepting the universal card for fuel and maintenance purchases. Please indicate by vendor and by State.	Not later than seven (7) calendar days following contract start date.
2. Customer Service Personnel assignments (Section A.8.c. et seq. of the Contract).	Not later than 10 calendar days following contract start date.
3. Reporting and Invoicing Set-up (Section A.6. et seq. of the Contract)	Not later than 15 calendar days following contract start date.
4. Conduct testing of Universal Card, which shall include, but not necessarily be limited to: <ul style="list-style-type: none"> • Invoicing procedures; • Point of purchase usage (by issue to key individuals within the Department of General Services); 	Not later than 30 calendar days following contract start date.

<ul style="list-style-type: none"> • System interfacing, as applicable. 	
5. Issue initial Universal Cards (Section A.5.b.(2)) of the Contract).	Not later than 45 calendar days following contract start date.

B. CONTRACT PERIOD:

- B.1.** This Contract shall be effective for the period beginning January 13, 2011, and ending on December 31, 2012. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.
- B.2.** Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than five (5) years, provided that such an extension of the contract term is effected prior to the current, contract expiration date by means of a contract amendment. If a term extension necessitates additional funding beyond that which was included in the original Contract, an increase of the State's maximum liability will also be effected through contract amendment, and shall be based upon payment rates provided in the original Contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1.** Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed **Written Dollar Amount (\$Number)**. The payment rates in section C.3 shall constitute the entire compensation due the Contractor for all service and Contractor obligations hereunder regardless of the difficulty, materials or equipment required. The payment rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the payment rates detailed in section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2.** Compensation Firm. The payment rates and the maximum liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3.** Payment Methodology.
 - a. The State shall compensate the Contractor for the actual payments that the Contractor has remitted to retailers for State purchases, and in a total amount not to exceed the Contract Maximum Liability established in Section C.1.. Said payments shall be directly equal to the amount paid for purchases by use of authorized universal card that can be appropriately reconciled. In NO event shall the Contractor add or the State pay processing fees of any kind whatsoever, and compensation shall be additionally contingent upon the Contractor's satisfactory completion service defined in Contract Section A.
 - b. The Contractor shall remit to the State an annual Retail Purchases Rebate for actual retail purchases of fuel and maintenance (services and parts). The Contractor shall pay each Retail Purchases Rebate in a lump sum no later than forty-five (45) days after the end of each calendar year of the Contract Period. It is expressly understood and agreed that the obligation set forth in this section shall survive the termination of this Contract.
 - (1) **Rebate Rates**— The annual Retail Purchases Rebate shall be based upon the actual Aggregate Annual Retail Purchase and Annual Average Transaction Amounts and the corresponding Rebate Rate as detailed in the following schedule:

Rebate Level Description	Rebate Rate
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Rebate Level Description	Rebate Rate
Rebate Level 1: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 2: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 3: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 4: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 5: \$0 – \$14,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater, Annual Average Transaction Amount	NUMBER %
Rebate Level 6: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 7: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 8: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 9: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 10: \$15,000,000.00 – \$19,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater, Annual Average Transaction Amount	NUMBER %
Rebate Level 11: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 12: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 13: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 14: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 15: \$20,000,000.00 – \$24,999,999.99, Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater, Annual Average Transaction Amount	NUMBER %
Rebate Level 16: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$0.01 – \$24.99, Annual Average Transaction Amount	NUMBER %

Rebate Level Description	Rebate Rate
Rebate Level 17: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$25.00 – \$29.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 18: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$30.00 – \$34.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 19: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$35.00 – \$39.99, Annual Average Transaction Amount	NUMBER %
Rebate Level 20: \$25,000,000.00 and greater, Aggregate Annual Retail Purchase Amount <u>and</u> \$40.00 and greater, Annual Average Transaction Amount	NUMBER %

(2) Rebate Calculation— The Contractor shall calculate each annual Retail Purchases Rebate as follows:

- i. The Total Annual Retail Purchase Amount shall equal the sum of the total of all State of Tennessee retail purchases (excluding exempted taxes).
- ii. The Total Number of Annual Retail Transactions shall equal the sum of the total number of all State of Tennessee retail purchases.
- iii. The Annual Average Transaction Amount shall equal the quotient calculated by dividing the Total Annual Retail Purchase Amount by the Total Number of Annual Retail Transactions Volume, as in the formula below:

$$\frac{\text{Total Annual Retail Purchase Amount}}{\text{Total Number of Annual Retail Transactions}} = \text{Annual Average Transaction Amount}$$

- iv. The applicable Rebate Rate shall correspond to the Rebate Level defined by the Annual Retail Purchase Amount and the Annual Average Transaction Amount in the schedule at section C.3.b.(1), above.
- v. The annual Retail Purchases Rebate (payable to the State) shall equal the product of the actual amount of the State's total retail purchases during the subject calendar year multiplied by the applicable Rebate Rate, as in the formula below:

<i>Total Annual Retail purchases (by the State)</i>	X	<i>applicable Rebate Rate</i>	=	<i>Retail Purchases Rebate (payable to the State)</i>
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C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for completed increments of service and for the amount stipulated in section C.3, above, and present said invoices no more often than monthly, with all necessary supporting documentation, to:

State of Tennessee
Department of General Services
Motor Vehicle Management
2200 Charlotte Avenue
Nashville, TN 37243

- a. Each invoice shall clearly and accurately detail all of the following required information (calculations must be extended and totaled correctly).

(1) Invoice Number (assigned by the Contractor)

- (2) Invoice Date
- (3) Contract Number (assigned by the State)
- (4) Customer Account Name: Department of General Services, Motor Vehicle Management
- (5) Customer Account Number (assigned by the Contractor to the above-referenced Customer)
- (6) Contractor Name
- (7) Contractor Federal Employer Identification, Social Security, or Tennessee Edison Registration ID Number Referenced in Preamble of this Contract
- (8) Contractor Contact for Invoice Questions (name, phone, and/or fax)
- (9) Contractor Remittance Address
- (10) Description of Delivered Service
- (11) Complete Itemization of Charges, which shall detail the following:
 - i. Applicable Payment Rate (as stipulated in Section C.3.) of each service invoiced; and
 - ii. Itemized details as stipulated in A.6.b.(3). and A.6.b.(4).

b. The Contractor understands and agrees that an invoice under this Contract shall:

- (1) include only charges for service described in Contract Section A and in accordance with payment terms and conditions set forth in Contract Section C;
- (2) only be submitted for completed service and shall not include any charge for future work;
- (3) not include sales tax or shipping charges; and
- (4) initiate the timeframe for payment (and any discounts) only when the State is in receipt of the invoice, and the invoice meets the minimum requirements of this section C.5.

c. For any State of Tennessee agency, as defined in A.2.a., individual billing addresses shall be supplied to the Contractor within one week after contract award.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or matter in relation thereto. A payment by the State shall not be construed as acceptance of any part of the work or service provided or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, not to constitute proper remuneration for compensable services.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts, which are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following documentation properly completed.

- a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit (ACH Credits) Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once said form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH).
- b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number detailed by said form must agree with the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID referenced in this Contract.

D. STANDARD TERMS AND CONDITIONS:

D.1. Required Approvals. The State is not bound by this Contract until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

- D.2. Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties hereto and approved by both the officials who approved the base contract and, depending upon the specifics of the contract as amended, any additional officials required by Tennessee laws and regulations (said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a breach of contract by the State. The State shall give the Contractor at least ninety (90) days written notice before the effective termination date. The Contractor shall be entitled to compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- D.4. Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Contractor violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, each shall contain, at a minimum, sections of this Contract below pertaining to "Conflicts of Interest," "Nondiscrimination," and "Records" (as identified by the section headings). Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six months has been, an employee of the State of Tennessee.

- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.
- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment One, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of

any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.

- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
 - d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.
 - e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.
- D.9. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this Contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.10. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.11. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.12. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.13. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.
- The Contractor, being an independent contractor and not an employee of the State, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.
- D.14. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.15. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, natural disasters, riots, wars, epidemics, or any other similar cause.
- D.16. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

- D.17. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.19. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.20. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

NAME, TITLE

Department of General Services

Motor Vehicle Management

2200 Charlotte Avenue

Nashville, Tennessee 37243-0552

EMAIL ADDRESS

Telephone #

FAX #

The Contractor:

Contractor Contact Name & Title

Contractor Name

Address

Email Address

Telephone # Number

FAX # Number

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

- E.3. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate the Contract upon written notice to the Contractor. Said termination shall not be deemed a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. Should such an event occur, the Contractor shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon

such termination, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

E.4. Tennessee Consolidated Retirement System. The Contractor acknowledges and understands that, subject to statutory exceptions contained in *Tennessee Code Annotated*, Section 8-36-801, *et. seq.*, the law governing the Tennessee Consolidated Retirement System (TCRS), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established pursuant to *Tennessee Code Annotated*, Title 8, Chapter 35, Part 3 accepts state employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the period of this Contract.

E.5. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.

a. The Contractor shall maintain, at minimum, the following insurance coverage:

- (1) Workers' Compensation/ Employers' Liability (including all states coverage) with a limit not less than the relevant statutory amount or one million dollars (\$1,000,000) per occurrence for employers' liability whichever is greater.
- (2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate.
- (3) Automobile Coverage (including owned, leased, hired, and non-owned vehicles) with a bodily injury/property damage combined single limit not less than one million dollars (\$1,000,000) per occurrence.
- (4) Professional Malpractice Liability with a limit of not less than one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) aggregate.

b. At any time State may require the Contractor to provide a valid Certificate of Insurance detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

NOTE: "Umbrella" or "excess" insurance is not an acceptable substitute for the specified minimum amounts of required liability and workers compensation insurance. The Contractor shall provide, no later than the contract start date, a valid certificate of insurance naming the State of Tennessee as an additional insured.

E.6. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Contractor to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Contractor's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Contractor of this Contract; previously possessed by the Contractor without written obligations to the State to protect it; acquired by the Contractor without written restrictions against disclosure from a third party which, to the Contractor's knowledge, is free to disclose the information; independently developed by the Contractor without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall

permit Contractor to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

E.7. Ownership of Software and Work Products.

a. Definitions.

- (1) "Contractor-Owned Software," which shall mean commercially available software the rights to which are owned by Contractor, including but not limited to commercial "off-the-shelf" software which is not developed using State's money or resources.
- (2) "Custom-Developed Application Software," which shall mean customized application software developed by Contractor solely for State.
- (3) "Rights Transfer Application Software," which shall mean any pre-existing application software owned by Contractor or a third party, provided to State and to which Contractor will grant and assign, or will facilitate the granting and assignment of, all rights, including the source code, to State.
- (4) "Third-Party Software," which shall mean software not owned by the State or the Contractor.
- (5) "Work Product," which shall mean all deliverables exclusive of hardware, such as software, software source code, documentation, planning, etc., that are created, designed, developed, or documented by the Contractor for the State during the course of the project using State's money or resources, including Custom-Developed Application Software. If the system solution includes Rights Transfer Application Software, the definition of Work Product shall also include such software.

b. Rights and Title to the Software

- (1) All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Contractor, subject to any license granted herein.
- (2) All right, title and interest in and to the Work Product, and to modifications thereof made by State, including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Work Product, shall belong to State. To the extent such rights do not automatically belong to State, Contractor hereby assigns, transfers, and conveys all right, title and interest in and to the Work Product, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Work Product. Contractor shall execute any other documents that State or its counsel deem necessary or desirable to document this transfer and/or allow State to register its claims and rights to such intellectual property rights or enforce them against third parties, and Contractor shall cooperate fully in the foregoing endeavors.
- (3) All right, title and interest in and to the Third-Party Software shall at all times remain with the third party, subject to any license granted thereby.

c. Nothing in this Contract shall prohibit the Contractor's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.

d. Nothing in the Contract shall prohibit the Contractor from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

E.8. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties,

responsibilities, and performance under this Contract, these items shall govern in order of precedence below.

- a. this Contract document with any attachments or exhibits (excluding the items listed at subsections b. through e., below);
- b. any clarifications of or addenda to the Contractor's proposal seeking this Contract;
- c. the State solicitation, as may be amended, requesting proposals in competition for this Contract;
- d. any technical specifications provided to proposers during the procurement process to award this Contract;
- e. the Contractor's proposal seeking this Contract.

E.9. Prohibited Advertising. The Contractor shall not refer to this Contract or the Contractor's relationship with the State hereunder in commercial advertising in such a manner as to state or imply that the Contractor or the Contractor's services are endorsed. It is expressly understood and agreed that the obligations set forth in this section shall survive the termination of this Contract in perpetuity.

E.10 Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

E.11. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's proposal responding to RFP-32106-00210 (RFP Attachment 6.2, item B.15.) and the Contractor's Letter of Diversity Commitment (for which a sample is provided at Attachment Two of this Contract).

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and persons with a disability. Such reports shall be provided to the state of Tennessee Governor's Office of Diversity Business Enterprise in form and substance as required by said office.

E.12. Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State in the event such service is necessitated to enforce the terms of this Contract or otherwise enforce the obligations of the Contractor to

the State.

In the event of any such suit or claim, the Contractor shall give the State immediate notice thereof and shall provide all assistance required by the State in the State's defense. The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof. Nothing contained herein shall be deemed to accord to the Contractor, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by *Tennessee Code Annotated*, Section 8-6-106.

E.13. It is expressly understood and agreed the obligation set forth in section C.3.d. shall survive the termination of this Contract as specifically indicated therein.

IN WITNESS WHEREOF,

CONTRACTOR LEGAL ENTITY NAME:

CONTRACTOR SIGNATURE

DATE

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF GENERAL SERVICES

Gwendolyn Sims Davis, Commissioner

DATE

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

SAMPLE LETTER OF DIVERSITY COMMITMENT

(Company Letterhead/Logo)

(Address)

(Date)

(Salutation),

(Company Name) is committed to achieving or surpassing a goal of (numeral) percent spend with certified diversity business enterprise firms on State of Tennessee contract # (Edison document #). Diversity businesses are defined as those that are owned by minority, women, small business and service-disabled veterans which are certified by the Governor's Office of Diversity Business Enterprise (Go-DBE).

We confirm our commitment of (percentage) participation on the (Contract) by using the following diversity businesses:

- (i) Name and ownership characteristics (i.e., ethnicity, sex, disability) of anticipated diversity subcontractors and suppliers: _____
- (ii) Participation estimates (expressed as a percent of the total contract value to be dedicated to diversity subcontractors and suppliers): _____%.
- (iii) Description of anticipated services to be performed by diversity subcontractors and suppliers:

We accept that our commitment to diversity advances the State's efforts to expand opportunity of diversity businesses to do business with the State as contractors and sub-contractors.

Further, we commit to:

1. Using applicable reporting tools that allow the State to track and report purchases from business owned by minority, women, service-disabled veterans and small business.
2. Reporting quarterly to the Go-DBE office the dollars spent with certified diversity businesses owned by minority, women, service-disabled veterans and small business accomplished under contract # (Edison number).

(Company Name) is committed to working with the Go-DBE office to accomplish this goal.

Regards,

(Company authority – signature and title)

Contract/Program Background

Prior to 1995, State of Tennessee owned vehicles and equipment were fueled at any of the 95 fueling sites (one in each county), maintained by the Tennessee Department of Transportation, for use by all state agencies. Each location employed a full time gas attendant. Since fueling privatization began in 1995, vehicles have been fueled, when away from State owned fueling sites, by use of a payment transaction card. Often, vehicle maintenance has been accomplished by the same means.

The fuel payment card was made possible through a contract procured and administered by the Tennessee Department of Transportation (TDOT). Contractors since 1995 have included Mapco and ACME Petroleum. FleetCor has been the State’s partner for fuel card administration and payment processing since 2002, under the Fuelman card.

The Department of General Services’ intent under this procurement is to remove itself from the practice of buying fuel in bulk. As a result, TDOT’s and General Services’ approach to fuel purchases will be very different. TDOT will continue to purchase in bulk, by consignment arrangement, for its fueling sites. General Services, as the central purchaser for the vast majority of State agencies, will make purchase available by bank card. The figures below should be considered in light of the fact that some maintenance and service expenses were incurred without use of the Fuelman card. Under the new arrangement, those purchases will be made on the Universal Card.

Recent Department of General Services retail purchase volume and card usage is summarized below.

Fiscal Year	Gallons Purchased		Total Expenditures	
	Unleaded	Diesel	Fuel	Maintenance
FY 09	4,388,261	366,374	\$10,691,741	\$7,088,231
FY 10	4,303,048	363,176 (includes 15,422 of B20)	\$10,718,249	\$9,918,524

Fiscal Year	Fuel Cards in Use	Annual Transactions
FY 09	6,264	665,440
FY 10	6,279	670,000 (estimated)



RFP # 32106-00210 Amendment # 1

DATE: November 24, 2010

THE SUBJECT RFP IS AMENDED AS FOLLOWS:

1. This RFP Schedule of Events updates and confirms scheduled RFP dates.

EVENT	TIME	DATE	UPDATED / CONFIRMED
State Issues RFP		11/18/10	CONFIRMED
Disability Accommodation Request Deadline	2:00 p.m.	11/23/10	CONFIRMED
Pre-proposal Conference	1:00 p.m.	11/29/10	CONFIRMED
Notice of Intent to Propose Deadline	2:00 p.m.	11/30/10	CONFIRMED
Written Comments Deadline	2:00 p.m.	12/3/10	CONFIRMED
State Responds to Written Comments		12/10/10	CONFIRMED
Proposal Deadline	1:00 p.m.	12/17/10	CONFIRMED
State Completes Technical Proposal Evaluations		12/22/10	CONFIRMED
State Opens Cost Proposals & Calculates Scores	9:00 a.m.	12/23/10	CONFIRMED
State Issues Evaluation Notice & Opens RFP Files for Public Inspection	2:00 p.m.	12/28/10	CONFIRMED
Contract Signing		1/11/11	CONFIRMED
Contract Signature Deadline	2:00 p.m.	1/12/11	CONFIRMED

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
1 Where is RFP Attachment 6.4.?	Attachments 6.4. and 6.5. were inadvertently omitted prior to issue of the RFP. Please see Amendment Sections 3 and 4 of this document.

3. Add the following as RFP Attachment 6.4 (renumbering of subsequent sections is unnecessary):

RFP ATTACHMENT 6.4.

REFERENCE QUESTIONNAIRE

The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Proposer.

The Proposer will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Proposal & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Proposer's Technical Proposal.

RFP # NUMBER PROPOSAL REFERENCE QUESTIONNAIRE

REFERENCE SUBJECT: PROPOSER NAME (completed by proposer before reference is requested)

The "reference subject" specified above, intends to submit a proposal to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such proposal, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
 - sign and date the completed questionnaire;
 - seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
 - sign in ink across the sealed portion of the envelope; and
 - return the sealed envelope containing the completed questionnaire directly to the reference subject.
-

(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?

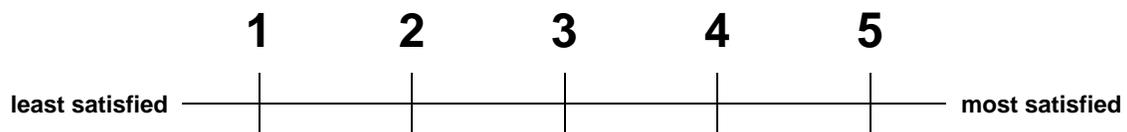
(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.

NAME:	
TITLE:	
TELEPHONE #	
E-MAIL ADDRESS:	

(3) What services does /did the reference subject provide to your company or organization?

(4) What is the level of your overall satisfaction with the reference subject as a vendor of the services described above?

Please respond by circling the appropriate number on the scale below.



If you circled 3 or less above, what could the reference subject have done to improve that rating?

- (5) If the services that the reference subject provided to your company or organization are completed, were the services completed in compliance with the terms of the contract, on time, and within budget? If not, please explain.

- (6) If the reference subject is still providing services to your company or organization, are these services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.

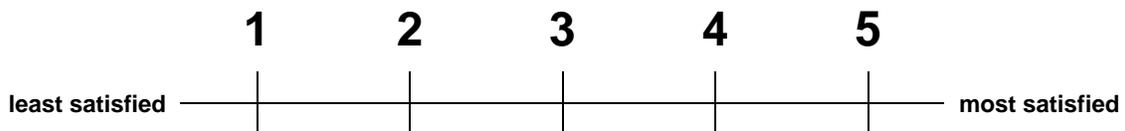
- (7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?

- (8) In what areas of service delivery does /did the reference subject excel?

- (9) In what areas of service delivery does /did the reference subject fall short?

- (10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?

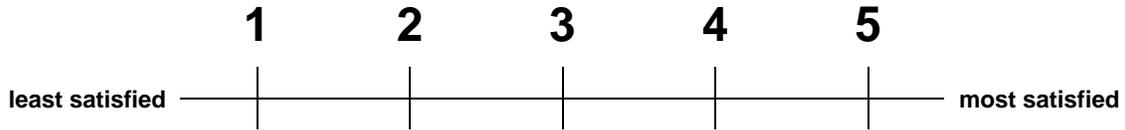
Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

- (11) Considering the staff assigned by the reference subject to deliver the services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?

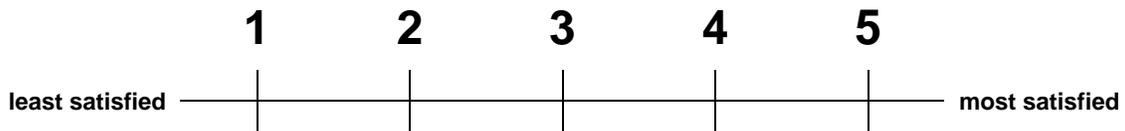
Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

- (12) Would you contract again with the reference subject for the same or similar services?

Please respond by circling the appropriate number on the scale below.



What, if any, comments do you have regarding the score selected above?

REFERENCE SIGNATURE:

(by the individual completing this request for reference information)

_____ (must be the same as the signature across the envelope seal)

DATE:

4. Add the following as RFP Attachment 6.5. (renumbering of subsequent sections is unnecessary):

RFP ATTACHMENT 6.5.

PROPOSAL SCORE SUMMARY MATRIX

	<i>PROPOSER NAME</i>		<i>PROPOSER NAME</i>		<i>PROPOSER NAME</i>	
GENERAL QUALIFICATIONS & EXPERIENCE (maximum: 25)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH (maximum: 35)						
<i>EVALUATOR NAME</i>						
<i>EVALUATOR NAME</i>						
<i>REPEAT AS NECESSARY</i>						
	AVERAGE:		AVERAGE:		AVERAGE:	
COST PROPOSAL (maximum: 40)	SCORE:		SCORE:		SCORE:	
TOTAL PROPOSAL EVALUATION SCORE: (maximum: 100)						
<i>RFP Coordinator Signature, Printed Name & Date:</i>						



STATE OF TENNESSEE
Department of General Services

**REQUEST FOR PROPOSALS
FOR Universal Card Program**

RFP #32106-00210 – AMENDMENT #2

DATE: December 29, 2010

THE SUBJECT RFP IS AMENDED AS FOLLOWS:

- 1. This RFP Schedule of Events updates and confirms scheduled RFP dates.**

	EVENT	TIME	DATE	UPDATED / CONFIRMED
1	State Issues RFP		11/18/10	CONFIRMED
2	Disability Accommodation Request Deadline	2:00 p.m.	11/23/10	CONFIRMED
3	Pre-proposal Conference	1:00 p.m.	11/29/10	CONFIRMED
4	Notice of Intent to Propose Deadline	2:00 p.m.	11/30/10	CONFIRMED
5	Written Comments Deadline	2:00 p.m.	12/3/10	CONFIRMED
	• State Responds to Written Comments		12/30/10	UPDATED
	• Proposal Deadline	1:00 p.m.	1/13/11	UPDATED
	• State Completes Technical Proposal Evaluations		1/21/11	UPDATED
	• State Opens Cost Proposals & Calculates Scores	9:00 a.m.	1/24/11	UPDATED
	• State Issues Evaluation Notice & Opens RFP Files for Public Inspection	2:00 p.m.	1/25/11	UPDATED
	• Contract Signing		2/7/11	UPDATED
	• Contract Signature Deadline	2:00 p.m.	2/8/11	UPDATED

Refer to Amendment Section 9 following this table for the revised contract start date under Section B of the pro forma contract.

State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
<p>1 Regarding the maintenance portion of the RFP. Does the State presently have contracts with any maintenance, tire shops etc. that the contractor will have to ensure their card works at those locations? If so, is there already a published document or website that we can obtain that list?</p>	<p>The State does have contracts for parts, etc., but not with retail shops at which the Contractor would be required to arrange for card purchase capability. The Universal Card will not be utilized for purchase off those contracts. No such website or listings exist.</p>
<p>2 The RFP states that the universal card has to be compatible with the existing card readers that the bulk fuel contractor has installed. My question is what type of card reader has the contractor installed?</p>	<p>This language has been modified by deletion; please refer to Amendment Sections 4 and 5 following this table.</p>
<p>3 On Page 2 under section 1.1 the State is asking the potential vendor to negotiate acceptance of their card with the current card readers and current vendor of those card readers. In our conversation with the current owner of the card readers they have told us they do not plan on allowing any other vendors cards to be accepted at their card readers.</p>	<p>See the State's response to Question 2.</p>
<p>4 Also, the current card reader vendor stated that Autogas card reader equipment is installed at about half of the locations and the State needs to understand that Autogas card reader equipment does not allow for acceptance of a second network.</p>	<p>See the State's response to Question 2.</p>
<p>5 Has the State taken into consideration that if the current card reader vendor would allow for acceptance of the second card/network who would pay to enter/download the retail pricing into that equipment each week? Also, who would pay to reconcile with Mansfield Oil on a weekly or monthly basis. Those are just a couple of issues the state needs to determine and allow for.</p>	<p>See the State's response to Question 2.</p>
<p>6 Based on several requirements in the RFP, for example level three reporting for Maintenance transactions which will require call in and call center authorization which costs the vendors to perform, therefore where would the State want vendors to include other costs?</p>	<p>All costs associated with providing services identified in the RFP should be taken into consideration when calculating the rebate percentages your company proposes. There is no mechanism for itemizing additional costs.</p>
<p>7 On Page 30 it says the vendor must include a percentage higher than zero however based on payment terms, cost of funds, cost of float etc vendors may not be able to include a number higher than zero therefore will the</p>	<p>Yes, the Cost Proposal will be deemed non-responsive.</p>

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offer be deemed non-responsive?	
8 Regarding the cost section vendors have standard interchange rates in place with oil brands no matter the size of the transaction therefore wouldn't it be much easier to ask vendors to state a basis point rebate they would offer the State based off the State's total estimate 20 million spend for the year?	The Cost Proposal methodology contained in the RFP was developed with input from several individuals with knowledge and expertise in this matter, who are employed by card issuing companies, and who confirmed to the State that the card companies can respond as requested. No modification will be made.
9 The State is requesting a percentage rebate on transaction size and total spend but is leaving out a very important and large financial incentive in discounts offered by locations and stations. There is not a way to roll those into a discount or rebate based on transactions size and total spend. Where would the State like those listed?	The State is not asking for such incentives and discounts to be itemized or listed in Cost Proposals. Reference also RFP section 3.1.2.1.
10 If the State is seeking a custom card the State will need to allow for sixty days not the 45 as requested in the RFP.	This language has been modified by deletion; please refer to Amendment Sections 10, 11, and 12 following this table.
11 Page 39 under the reporting section it mentions MCC code and the maximum length of 3 digits however the State needs to understand MCC code are four digits and if you include only three you will have the potential for duplicate numbers.	The State's fleet system allows only three (3) characters. It will be the responsibility of the Contractor to create a crosswalk that allows the interface.
12 Page 39 Account number can this be Alpha/Numeric or does it have to be just Numeric?	Either method of Billing Account numbering is acceptable to the State.
13 Comment -Hold Harmless clause, we would prefer alternative language be allowed to be submitted or negotiated at award.	The State is unwilling to modify the language of pro forma Contract Section E.12. Submission of alternative language within a proposal may render the proposal non-responsive with the requirements of RFP Section 3.3.1.
14 The Statement of Procurement Purpose 1.1 section states: The State intends to secure a contract for provision of Universal Card services for the purchase of gasoline and minor maintenance and repairs at retail locations. Furthermore, in the Pro Forma Contract on page 36 the RFP says: The Contractor will provide a Universal charge card that is accepted for retail purchases of fuel and vehicle maintenance at retail locations within all 95 counties of Tennessee. The Universal Card shall also have nationwide acceptance at major fueling locations, including	The term Universal refers to the ability of the selected Universal Card to be accepted by a vast majority of fuel and maintenance merchants throughout the nation, much like a standard credit card is used. (see A.3.a, pg, 37 of the Pro Forma contract).

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<p>small and remote towns.</p> <p>We request the State better define the term "Universal Card". Does the State have a minimum number of fuel or maintenance sites where the card must be accepted in order to qualify? According to NPN Magazine 2009 Market Facts there were 4,529 fueling outlets of any kind at which the public can buy gasoline in the State of Tennessee.</p>	
<p>15 We would also like the State's formal position on the following:</p> <p>Would a fleet card that is accepted at over 1,450 Tennessee fueling sites with fuel availability in every county in Tennessee; with more than 72% of those fueling sites allowing pay @ pump processing; with more than 550 maintenance sites in 61 Tennessee counties accepting the card; with more than 40,000 fuel sites nationwide accepting the card (thousands of small and remote towns included) and approximately 85% of those locations nationwide available via pay @ pump; with 100% Level 3 reporting available on all fuel and maintenance transactions; with ability offer deep discounts larger than any competing universal card network; with the ability to access fuel at all 35 State owned refueling locations immediately upon contract award without any equipment upgrades or negotiations (which no other vendor can offer)....Would this Fleet Card described meet the State's requirement as a "UNIVERSAL CARD"?</p>	<p>The card information described here is a network card; therefore it will not meet the requirements for the Universal Card sought by the State.</p>
<p>16 We object to the requirements in the second and third paragraphs (including bullet point items) of 1.1 and Pro Forma Contract paragraph A.3.f, both which require the contractor to arrange for card acceptance at the 35 State owned fueling locations which are covered by an entirely separate TDOT contract. This is not feasible and the requirements should be removed from the RFP. The technological and business barriers are too numerous to list. Agencies needing access to fuel at State owned sites should be required to get fuel access cards from the TDOT contractor.</p>	<p>See the State's response to Question 2.</p>
<p>17 The schedule of events timeline is too short for such a large RFP Project. We request the deadline for submitting responses be extended, preferably until after the Christmas holidays.</p>	<p>Refer to the revised Schedule of Events in section 1 of this amendment.</p>

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<p>18 RFP Paragraph reads: 3.3.1. A proposal must not include the Proposer's own contract terms and conditions. If a proposal contains such terms and conditions, the State, at its sole discretion, may determine the proposal to be a non-responsive counteroffer and reject it.</p> <p>We hereby object to this requirement of the RFP. The RFP should not be so limiting. We request the State remove this paragraph or alter the language to allow Proposer's to include certain conditions for providing services required.</p>	<p>If a Proposer submits for consideration its terms needed to remain in compliance with regulatory requirements applicable to a national banking institution, the State will consider the Agreement, subsequent to this RFP process, but prior to award. OCR Service Contracting Policy .03a-11 Contract Award states that:</p> <p><i>A contract resulting from an RFP process must be substantially the same as the pro forma contract in the RFP document. However, the state may clarify, add terms and conditions, or revise contract requirements in the State's best interests subsequent to this RFP process, PROVIDED THAT NO such terms and conditions or revision of requirements shall materially affect the basis of proposal evaluations or negatively impact the competitive nature of the RFP process.</i></p> <p><i>If the selected proposer fails to sign and return a contract drawn pursuant to an RFP within the period required by the RFP Schedule of Events (i.e., between the date contract signing is permitted and the contract signature deadline date), the state may determine that the proposer has failed to enter into a contract as required and may determine, at its sole discretion, that the Proposer is nonresponsive to the terms of this RFP and reject the proposal.</i></p> <p><i>If the State determines that the apparent best evaluated Proposer is nonresponsive and rejects the proposal after opening Cost Proposals, refer to policy section .03a-8d above.</i></p> <p>Proposer(s) should also carefully consider RFP sections 3.3.1. and 3.3.2., if submitting its own contract terms and conditions.</p>
<p>19 Card accepting merchants should not be considered subcontractors of the Universal Card Contractor; with that said how does the State view its fleet purchases (fuel or maintenance) that occur at merchant locations certified as "Diversity Businesses" owned by minorities, women, persons with a disability or small business enterprises?</p> <p>Pro Forma Contract paragraphs A.6.b.(7) and E.11 seem to imply that the State wants the Contractor to report the dollars that the State spends at card accepting merchant locations certified as "diversity vendors", even though the merchant is not a subcontractor? Please confirm - is this a requirement? If not, the</p>	<p>The State understands and agrees that "Card accepting merchants should not be considered subcontractors" under this procurement. We, therefore, do not consider purchases made through those entities to be reportable as diversity spend for the awarded vendor.</p> <p>Contract Section A.6.b. provides a list of seven reporting requirements under the contract to be awarded. A.6.b.(7) is one of the reporting requirements. It in no way implies "that the State wants the Contractor to report the dollars that the State spends at card accepting merchant locations certified as 'diversity vendors'".</p>

QUESTION / COMMENT	STATE RESPONSE
<p>RFP needs to be amended to clarify that the reporting specified in E.11 or on the Attachment Two Sample Letter of Diversity Commitment, DOES NOT mean reporting of card usage (dollar spend or % of total dollar spend) on the universal card at “Diversity Businesses”.</p> <p>Furthermore, if the State does consider spend it makes using the universal card at “Diversity Vendors” as a reporting requirement, and since the dollars or % of total spend at these vendors will be totally up to the State forcing its employees to utilize these “Diversity Businesses”, the Contractor should not be responsible for providing firm estimates of usage anticipated and should not be held responsible for efforts to exceed the commitment as worded in E.11. The amount of card usage and participation at these diversity businesses is and should be totally in the State’s authority and discretion - Contractor has no influence on the State’s card usage at these businesses. The Sample Letter of Diversity Commitment must be substantially amended if these purchases are to a part of the Diversity Commitment and really it would be the State’s commitment to use the Diversity Business vendors established as card accepting merchants not the Contractor’s commitment.</p>	<p>The reporting required by A.6.b.(7) and E.11. is not to include direct spend on the Universal Card at Diversity businesses.</p> <p>Calculating and reporting diversity spend will be the Contractor’s responsibility, as required by RFP Attachment 6.2, #B.15 and in a contractual relationship with the State, under Contract Section E.11.</p>
<p>20 RFP reads: Provide customer references from individuals (who are not current or former officials or staff of the State of Tennessee) for projects similar to the services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> • two (2) of the larger accounts currently serviced by the Proposer, and • three (3) completed projects. <p>Please define what the state considers “completed”. If a customer reference is still using Proposer’s card system under a new and separate bid/contract, we should be able to list them as a “completed” reference. Please confirm this is allowed.</p>	<p>“Completed” in this context refers to expired client contracts for which your company is no longer providing services.</p> <p>Proposers are encouraged to make a reasonable, good faith effort to complete this requirement as stated.</p>
<p>21 We request C.9 (of attachment 6.2) be amended to require Fuel Sites be listed separately from maintenance sites? Also, if pay @ pump is such an important service requirement, why would the listing submitted not need to list whether pay @ pump processing is available for each site?</p>	<p>The appearance of this question suggests the asker might be working from an expired RFP (and possibly the questions submitted under that RFP). Please refer to RFP #32106-00210, issued on November 18, 2010. Attachment 6.2., #C.9 contains separate columns for “Fueling Services” and “Maintenance Services”.</p>

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	Because Pay-at-the-Pump functionality is universally provided by (or for) major credit card companies, we have not felt the need to request that it be reported as available.
<p>22 At the top of page 40 there is a paragraph which reads: Notwithstanding this requirement, the State recognizes that Level III Reporting will not be available 100% of the time from 100% of retailers. The Contractor is expected to make a good faith effort at collecting the required data elements.</p> <p>So, will the State allow contractors to invoice the State for any transactions that are not within the Level III guidelines? Does the State expect the Contractor to either charge back the merchant or otherwise take a loss on any non-Level III transactions?</p>	<p>The language of pro forma Contract Section A.6.b.(3) has been modified to remove the “good faith” language (see Amendment section 8 following this table).</p> <p>Contractors will not be allowed to invoice the State for transactions that do not meet Level III guidelines. When a retail merchant cannot provide detailed Level III electronic reporting, the Contractor shall be responsible to communicate with the merchant to obtain detailed purchase information which shall be provided to the State.</p> <p>By Amendment Section 13, the State does expect the Contractor to complete Level III reporting through its Customer Service center.</p>
<p>23 Will political subdivisions of the State of Tennessee (i.e. cities, counties, public schools/local boards of education) or quasi state agencies and universities, automatically be allowed to participate under this RFP/Contract?</p> <p>If so, can the Contractor require a different Billing Frequency or Payment Term for political subdivisions as opposed to State Agencies?</p>	<p>Political subdivisions of the State of Tennessee (i.e. cities, counties, public schools/local boards of education) or quasi state agencies and universities, will not be allowed to participate under the Contract to be awarded pursuant to this RFP.</p> <p>The Participating Entity language contained in the previous RFP has been removed.</p>
<p>24 <u>RFP General Contracting Information & Requirements, Section 4.4.1</u>: Is it acceptable to modify this provision as indicated here so that the Contractor would give the State notice in the event the contract is assigned and the Contractor would not have to seek prior approval? It would not be feasible to seek prior approval in the event the Contract is assigned.</p> <p style="text-align: center;">4.4. Assignment & Subcontracting</p> <p>4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without providing notice to the State.</p>	No modification of this language will be made.
<p>25 <u>Pro Forma Contract Section A.2, definitions</u>: Is it acceptable to modify this section for consistency with the Contractor’s proposal language describing calculation of the rebate offered? Consistency in rebate language ensures accuracy in calculations and</p>	The State is unwilling to modify this language.

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<p>payment. For example, this Contractor customarily uses the following definitions:</p> <p>“Addendum Year” means a twelve (12) month period beginning with the first such period following the Effective Date of this Rebate Addendum.</p> <p>“Average Transaction Size” means the Net Annual Charge Volume divided by the number of purchase transactions during each Addendum Year. A purchase transaction is a debit point of sale purchase transaction.</p> <p>“Charge-off” means any amount due and owing to Contractor or its Affiliates by Customer that remains unpaid for one hundred fifty (150) days after the date that it was first billed.</p> <p>“File Turn Days” means the number of days from the date Contractor posts a charge transaction to the date payment for that transaction is posted, inclusive of the beginning and ending dates.</p> <p>“File Turn Days Payment Performance” means the average speed of repayment of charges made for each Addendum Year.</p> <p>“Fraudulent Charges” means those Charges which are not initiated, authorized or otherwise requested by Customer, its Affiliates, and/or a Cardholder by any means (electronic, telephonic or written) and do not directly or indirectly benefit Customer, its Affiliates, and/or a Cardholder.</p> <p>“Net Annual Charge Volume” means all charges set forth on the Statements furnished for all Accounts, less fees, cash advances, Fraudulent Charges, chargebacks, charges qualifying for large transaction interchange rates and amounts Charged-off by Contractor with respect to such Accounts as uncollectible for each Addendum Year.</p> <p>“Revenue Share” is the combination of the Performance Rebate and Volume Rebate.</p> <p>“Total Rebate Percentage” means the sum total of the Performance Rebate Percentage and the Volume Rebate Percentage.</p>	
<p>26 <u>Pro Forma Contract Section C.3, Payment Methodology</u>: Is it acceptable to modify this section for consistency with the Contractor’s proposal language describing timing of payment of the rebate offered? The</p>	<p>The State is unwilling to modify this language.</p>

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<p>Contractor would be able to pay the first Revenue Share payment within ninety (90) days after the end of the Addendum Year rather than after the forty-five (45) day period discussed in the Pro Forma Contract. Subsequent calculations and payments, if any, would be made in a similar fashion on each twelve (12) month anniversary of the first calculation and payment. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due would be made on the next business day.</p>	
<p>27 <u>Pro Forma Contract Section C.5.b(4), Invoicing requirements:</u> Is it acceptable to modify this section so that the timeframe for payment is calculated in accord with the date the statement is generated? It is not practicable to calculate the time for payment from when the State is in receipt of the statement.</p>	<p>The State is unwilling to modify this language. The time frame for payment starts on the date the invoice is received at the following office:</p> <p>Department of General Services Motor Vehicle Management 2200 Charlotte Avenue Nashville, TN 37243</p>
<p>28 <u>Pro Forma Contract Section C.8, Deductions:</u> Is it acceptable to omit this section? It is not feasible to offset amounts where credit has been extended, however the State may submit a claim for amounts the State believes are payable to the State by the Contractor.</p>	<p>The State is unwilling to omit the language of Section C.8.</p>
<p>29 <u>Pro Forma Contract Section D.3, Termination for Convenience:</u> Is it acceptable to omit this section? It is not appropriate to include a termination for convenience clause because the pricing offered is predicated upon the assumption that the parties will complete the base contract term.</p>	<p>The State is unwilling to modify the language of Section D.3.</p>
<p>30 <u>Pro Forma Contract Section D.9, Records:</u> Is it acceptable to modify this section to reflect that any audit shall be at a mutually agreed location? Contractor is legally obligated to protect the confidentiality of the records of all of its clients, and accordingly it cannot permit audits or inspections on its premises.</p>	<p>D.9., Records does not stipulate that the audit be conducted on the contractor's premises. The State is not willing to modify the language of D.9.</p>
<p>31 <u>Pro Forma Contract Section E.13:</u> Please clarify what section is intended by the reference to "section C.3.d" because the Pro Forma Contract does not appear to contain a section C.3.d.</p>	<p>Amendment #3 following this table shows the correction.</p>
<p>32 Who are current owners of card readers?</p>	<p>See the State's response to Question 2.</p>
<p>33 The cost proposal doesn't refer to speed of pay. What are the payment terms? If 30 days, what recourse does Offeror have if State doesn't pay within 30 days? Also the</p>	<p>The State adheres to the Federal Prompt Payment Act found at Tenn. Code Ann. §12-4-701 et seq. The offeror's recourse in case of a dispute is subject to the laws of the State of Tennessee.</p>

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<p>RFP states the State the timeframe will start once statement is received. We don't know exactly when State receives statement, will the State accept timeframe from end of billing cycle knowing that invoice can be viewed and downloaded day after cycle?</p>	<p>The time frame for payment starts on the date the invoice is received at the following office:</p> <p>Department of General Services Motor Vehicle Management 2200 Charlotte Avenue Nashville, TN 37243</p> <p>Note - If the invoice is downloadable, the time frame for payment will start on the day following receipt of such notification from the Contractor.</p>
<p>34 Would the State consider extending a week to make sure we can get reference surveys back in time? We can't control how long it takes them to return.</p>	<p>Refer to the revised Schedule of Events in section 1 of this amendment.</p>
<p>35 Can you please issue a Word version of the document? It will assist us in completing the necessary documents.</p>	<p>A word version of the RFP document is available on the State's website: www.state.tn.us/finance/rds/ocr/rfp.html</p>
<p>36 Is there anything we need to complete for Attachment 6.5, Proposal Score Summary Matrix?</p>	<p>Do not complete attachment 6.5.</p>
<p>37 Is it acceptable for the final contract to include certain information from the Contractor that reflects (1) the Contractor's card management services, (2) services relating to the extension of credit, and (3) laws and regulations that the Contractor is required to follow as a national banking institution? The Contractor proposes that such information be reviewed by the State for inclusion upon an award so that the Contractor can maintain compliance with its regulatory obligations.</p>	<p>If a Proposer submits for consideration its terms needed to remain in compliance with regulatory requirements applicable to a national banking institution, the State will consider the Agreement, subsequent to this RFP process, but prior to award. See OCR Service Contracting Policy .03a-11, <i>Contract Award</i>:</p> <p><i>A contract resulting from an RFP process must be substantially the same as the pro forma contract in the RFP document. However, the state may clarify, add terms and conditions, or revise contract requirements in the State's best interests subsequent to this RFP process, PROVIDED THAT NO such terms and conditions or revision of requirements shall materially affect the basis of proposal evaluations or negatively impact the competitive nature of the RFP process.</i></p> <p>Proposer(s) should carefully consider RFP sections 3.3.1. and 3.3.2., if submitting its own contract terms and conditions.</p>
<p>38 Page 2, 1.1, paragraph 3 – Therefore, the Universal Card must be usable in the card readers located at the State's 35 current fueling facilities, as well as any future facilities the State should open. The awarded Contractor will be required to negotiate the necessary arrangements to make that happen, with:</p> <ul style="list-style-type: none"> • The current owner of the card 	

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<p>readers</p> <ul style="list-style-type: none"> • The new owner of the card readers should ownership change or new readers be installed when TDOT's new contract is in effect (scheduled for July 1, 2011). • The current or new owner of the card readers, if and when the State opens new fueling facilities. <p>Questions to the State:</p> <ul style="list-style-type: none"> • Who is current owner? <ul style="list-style-type: none"> ○ Has the current owner agreed to negotiate card acceptance (with competitors)? What type of card readers are currently installed at sites mentioned above? What cards are currently accepted at these sites? What cards do the sites currently (without additional configuration) have the ability to accept? • Who is new owner? <ul style="list-style-type: none"> ○ We request the State stipulate that the successful bidder in any future RFP regarding bulk fuel provides card readers that are compatible with the fuel card program. • What fuel management system is used by the above mentioned sites? • Could the State provide clarity around the extent of reporting required for private site transactions? <p>Suggested Changes</p> <p>We request that the Cost Proposal include a section that allows the proposer to detail conditions and definitions of any financial offer.</p> <p>We request that the Cost Proposal include a section that allows the proposer to detail any fees that are optional or are charged upon occurrence. This could include but is not limited to fees for: private site transactions; late payment; expedited shipping; research; returned item/insufficient funds; reproduced reports; international currency conversion.</p>	<p>See the State's response to Question 2.</p> <p>In response to the "Suggested Changes", please see RFP Sections 3.1.2.1, 3.3.1 and 3.3.2.</p>

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<p>We request that the State remove this requirement if the current card readers are not compatible with our cards and/or if the current owner is unwilling or unable to negotiate acceptance.</p>	
<p>39 Page 8, 3.1.2.1 – A Proposer must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts or information.</p> <p>Suggested Changes: We request that the Cost Proposal include a section that allows the proposer to detail conditions and definitions of any financial offer.</p> <p>We request that the Cost Proposal include a section that allows the proposer to detail any fees that are optional or are charged upon occurrence. This could include but is not limited to fees for: late payment; expedited shipping; research; returned item/insufficient funds; reproduced reports; international currency conversion.</p>	<p>The State is unwilling to modify the requirements of, and the instructions associated with, the Cost Proposal. A Proposer’s submittal, within its Cost Proposal, of “fees that are optional or are charged upon occurrence” will render the proposal noncompliant with the requirements of RFP Section 3.1.2.1.</p>
<p>40 Page 9, 3.3.1 – A proposal must not include the Proposer’s own contract terms and conditions.</p> <p>Suggested changes We have attached the contract terms and conditions that we require as a regulated bank extending credit to a third party. We request that the State allow these terms and conditions as part of our proposal to help us maintain regulatory compliance.</p>	<p>Please see the State’s response to Question 37.</p>
<p>41 Page 11, 3.6 – Regardless of any additional services offered in a proposal, the Proposer’s Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts or information.</p> <p>Suggested Changes: Because any additional products, services or features would not necessarily be priced the same as the fuel card, we request that the Cost Proposal include a section that allows the proposer to detail pricing, conditions, definitions and fees related to any additional products or services offered.</p>	<p>Please see the State’s response to Question 39.</p>

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<p>As stated previously, we request that the Cost Proposal include a section that allows the proposer to detail conditions and definitions of any financial offer. And we request that the Cost Proposal include a section that allows the proposer to detail any fees for additional products, services or features. This could include but is not limited to site fees, transaction fees, installation fees, hardware costs, etc.</p>	
<p>42 Page 13, 4.8.1 – By submitting a proposal, a Proposer acknowledges and accepts that the full proposal contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.</p> <p>Question to the State: How do we submit documentation that must be held confidential or is trade secret information?</p>	<p>The State is subject to and must comply with the Tennessee Public Records Act – Tenn. Ann Code §10-7-101 et seq. To the extent a Proposer believes its documentation/information falls under an exception to the Act, it must be able to defend that position, however, the State cannot provide any assurance that the documentation/information will be considered confidential.</p>
<p>43 Page 14, Section 4.9.2.2 – All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6, Pro Forma Contract, Section C).</p> <p>Requested change: Payment timing and fees that would apply for delinquent accounts or late payment are not specified by the State. We ask that the State include these in the RFP to avoid any confusion.</p>	<p>The State adheres to the State Prompt Payment Act as contained in TCA 12-4-701, et seq.</p> <p>The State will make payment within 45 days of receipt of invoice.</p> <p>If late payment is substantiated in a letter from the Contractor, interest shall accrue and be charged on payments overdue at one and one-half percent (1½%) per month beginning on the day after payment is due.</p>
<p>44 Page 22, B.14 (c) – a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Proposer’s response to this RFP.</p> <p>Question to the State: Does the statement have to come from the Proposer or directly from the subcontractor? If from the subcontractor, should it be in the form of a signed letter?</p>	<p>Please submit a signed letter, on the letterhead of your proposed subcontractor, indicating its assent.</p>
<p>45 Page 25, C.1 - C1. Software Browser Submit a description of your company’s system software and a statement of assurance that the current structure will have complete compatibility with the</p>	<p>The State is unwilling to modify the language of this requirement. Proposers are expected to respond as fully as possible. If Proposers feel it is necessary to consider company policy and/or proprietary or client privacy, they are welcome to withhold that information. However, the State will</p>

QUESTION / COMMENT	STATE RESPONSE
<p>minimal technical requirements established through the State's current technical architecture. The State's technical architecture is available upon written request from the RFP Coordinator (see RFP Section 1.4.2.1.).</p> <p>Question to the State Our systems do not need to “interconnect” with those of the State in order for the State to use our product. We can deliver reporting via secure FTP file formats or the State can use our online reporting tool. Since the systems would not be “linked,” would it be acceptable to outline details on how we would exchange information?</p> <p>Suggested Changes To protect the interests of the Proposer and its customers, the Proposer cannot provide diagrams or specifications of its system in its RFP response. We would be happy to detail specifications at a later date but request that any requirements regarding diagrams and/or technical specifications of the proposer's systems be removed.</p>	<p>not extend special consideration for such in its evaluation of proposals.</p> <p>To clarify, RFP Attachment 6.2–Section C, Part C.1 does not require the awarded Contractor's system to interface or “interconnect” with the State's system. If that is possible, and is deemed by the State and the Contractor to be an efficient, secure, and valuable approach to meeting the requirements under this contract, it will be considered.</p> <p>In the context of the requirements of C.1., the architecture referred to is the State's current use of Fleet Focus M5, Maximus' fleet management software. Our expectation is that proposers will describe their system's capacity to provide the weekly and monthly data – at a minimum through FTP file formats – by which the State will be able to process its purchase transactions.</p> <p>Outlining details on how your organization would exchange information is acceptable, but this should not be interpreted as an indication the State would consider such to be a full response.</p>
<p>46 Page 25, C.2 – Submit an itemization of all major systems, components, layouts and diagrams to support the network and associated connectivity to support the State of Tennessee's production environment.</p> <p>Question to the State Our systems do not need to “interconnect” with those of the State in order for the State to use our product. We can deliver reporting via secure FTP file formats or the State can use our online reporting tool. Since the systems would not be “linked,” would it be acceptable to outline details on how we would exchange information?</p> <p>Suggested Changes To protect the interests of the Proposer and its customers, we cannot release diagrams and specific processes related to architecture and security during the RFP process. We feel our proposal will address all of the State's concerns regarding security and connectivity. We would be happy to discuss our internal controls and security at a later date but request that any requirements regarding</p>	<p>See the State's response to question 45.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>components, layouts, diagrams and/or technical specifications of the proposer's systems be removed.</p>	
<p>47 Page 26, C.6, 6 – The process, including sample documentation and file specifications for establishing agency master accounts with their corresponding contact, hierarchy, SIC/MCC specifications and account code validations values.</p> <p>Question to the State: Could the State please clarify what it is asking for regarding “SIC/MCC specifications and account code validations values?”</p>	<p>The Contractor is expected to establish charge authorization procedures to ensure that unauthorized transactions are denied. Unauthorized transactions are to be based on a mutually agreeable standardized classification of products and services (i.e. Standard Industry Classifications (SIC), Merchant Category Codes (MCC), or a Contractor-created code agreeable to the State).</p>
<p>48 Page 28, C.7.3 – Provide an audit trail of the aforementioned fraud detection system information and any other evidence of security breaches to the State and its affiliates.</p> <p>Question to the State: Please clarify if the audit trail relates to pre- or post-fraud activity.</p>	<p>The fraud audit trail should be captured in the level 3 reporting, and could include, but not necessarily be limited to, the following: fuel purchase in excess of capacity, wrong fuel grade, multiple purchases, etc. We expect that the card provider will identify and notify the State of other potential fraud activity suspected prior to the State receiving reports. Any fraud detection methodologies and practices – whether pre- or post-fraud – are applicable, from the State’s perspective.</p>
<p>49 Page 28, C.7.8 – Provide statistics on fraud associated with proposer’s card programs.</p> <p>Suggested change: According to customers, the proposer's fraud mitigation tools and services are on par or superior to others in the industry. However, we consider fraud statistics to be confidential and ask that the State remove this requirement.</p>	<p>No modification will be made to this request. Proposers are encouraged to submit any statistics they feel accurately and appropriately demonstrate their commitment to fraud detection and deterrence.</p>
<p>50 Page 35, A.2 a. – ...any other State of Tennessee department, agency or division utilizing the services available under this contract.</p> <p>Suggested Changes The proposer requests that it be allowed to submit use and liability language and the Participation Addendum form to allow piggybacks.</p>	<p>This RFP and the Contract to be awarded under it contain no language or requirements regarding a “Participation Addendum”.</p>
<p>51 Page 36, A.3.b -- All parts must be installed and maintenance services performed on the vehicle at the time of purchase. These parts/services include, but are not limited to the following:</p> <p>Suggested Changes</p>	<p>The language requiring “installation at time of purchase” has been deleted by revision of A.3.b.; please refer to Amendment Section 6 following this table.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>We do not control when parts are installed or maintenance service are performed and ask that this requirement be removed.</p>	
<p>52 Page 36, A.3.f. - The awarded Contractor will be required to negotiate the necessary arrangements to make that happen, with:</p> <ul style="list-style-type: none"> • The current owner of the card readers • The new owner of the card readers should ownership change or new readers be installed when TDOT's new contract is in effect (scheduled for July 1, 2011). • The current or new owner of the card readers, if and when the State opens new fueling facilities. <p>Questions to the State:</p> <ul style="list-style-type: none"> • Who is current owner? <ul style="list-style-type: none"> ○ Has the current owner agreed to negotiate card acceptance (with competitors)? What type of card readers are currently installed at sites mentioned above? What cards are currently accepted at these sites? What cards do the sites currently (without additional configuration) have the ability to accept? • Who is new owner? <ul style="list-style-type: none"> ○ We request the State stipulate that the successful bidder in any future RFP regarding bulk fuel provides card readers that are compatible with the fuel card program. • What fuel management system is used by the above mentioned sites? • Could the State provide clarity around the extent of reporting required for private site transactions? <p>Suggested Changes</p> <p>We request that the Cost Proposal include a section that allows the proposer to detail conditions and definitions of any financial offer.</p> <p>We request that the Cost Proposal include a section that allows the proposer to detail any</p>	<p>See the State's response to Question 2.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>fees that are optional or are charged upon occurrence. This could include but is not limited to fees for: private site transactions; late payment; expedited shipping; research; returned item/insufficient funds; reproduced reports; international currency conversion.</p> <p>We request that the State remove this requirement if the current card readers are not compatible with our cards and/or if the current owner is unwilling or unable to negotiate acceptance.</p>	
<p>53 Page 36, A.4.c – The State will designate, in writing, the names of personnel authorized to set card limits and/or approve purchases exceeding card limits. When such approvals are granted, the State will issue authorization numbers for recording and monitoring purposes.</p> <p>Question to the State Could the State please describe the current and/or desired process and provide an example of how this process would work?</p>	<p>In accordance with Motor Vehicle Managements' current policy, a spending limit will be set and any Purchase attempts to exceed the set spending limit will require an authorization from designated personnel within MVM.</p>
<p>54 Pages 36 and 37, A.4.d – The Contractor shall apply for tax exempt status for the State's purchases and the State's invoice shall reflect the fuel cost less said taxes. As a card issuer, the Proposer is not recognized by the State of Tennessee to exempt on behalf of the State. However, we have merchants that accept our fuel card that are able to offer exemptions.</p> <p>We request that the above requirement be changed to read:</p> <p>"For Tennessee approved fleets that have a Tennessee Motor Fuel permit and a Certificate of Buyer of Taxable Fuel on file with the Proposer, the Proposer will exempt Federal Tax on all fuel purchases and State Excise and State Special Taxes on fuel purchases made at locations that participate in the Proposer's tax exemption program."</p>	<p>The State is unwilling to modify the language as requested. As required by the language, the awarded vendor will apply for tax exempt status for the State's purchases.</p>
<p>55 Page 37, A.5.b Card Testing, Issuance and Replacement (1) For testing purposes, the Contractor shall submit within thirty (30) days of contract start date the number of cards to be specified by the State at contract</p>	<p>Because the State recognizes that card issuing companies probably have varying approaches for testing, etc., we intentionally wrote this language to allow for those variances. We have every intention of providing sufficient and reasonable latitude for testing approaches, including in the number of cards to be tested.</p>

QUESTION / COMMENT	STATE RESPONSE
<p style="text-align: center;">implementation.</p> <p>Question and suggested change for the State We feel this is too broad a requirement and would ask that the State clarify what it entails. The proposer requests that the number of cards provided within 30 days of the contract start date be limited to six (6) cards and prompts for integration testing with card readers; and with an agency of 50 cards or fewer for retail testing. The proposer also requests that the test cards not be custom plastic.</p>	
<p>56 Page 37, A.5.b.3 -- After initial distribution, the Contractor will issue, at no cost to the State, new and replacement Universal Cards within one (1) business day of receipt of requests for replacement from the State's Contract Administrator. Unless a Universal Card has been terminated or canceled, as provided herein, all cards will expire upon the termination of this Contract. During the course of the Contract, the Contractor may, with reasonable notice (not less than 30 days) and at no cost to the State, replace all Universal Cards.</p> <p>Questions for the State Please clarify the State's definition of "issue." Does the State require that new and replacement cards be shipped within one day of request or does the state require that new and replacement cards arrive within one day or request?</p>	<p>Replacement cards should be shipped within one (1) business day of request by the State.</p>
<p>57 Page 37, A.5.b.3.ii – Contractor will ship Universal Cards to the following address via certified or express mail for delivery...</p> <p>Questions for the State: Does the State require overnight shipping of all new and replacement cards, or only of replacement cards that have been reported lost or stolen?</p> <p>Could the State provide an estimate of the amount of overnight shipping necessary?</p>	<p>Replacement of lost or stolen cards should be shipped overnight. New cards requested can be shipped via express mail (1-3 days).</p> <p>We estimate 25-30 cards per month are shipped by overnight courier, to replace lost, stolen, or damaged cards. New cards, by express mail (1-3 days) total roughly 50 per month.</p>
<p>58 Page 38, A5.b.4.i.b – The contractor will allow the State to establish higher or lower credit limits by secure means agreeable to both the State and the Contractor. Such secure means may include State submission of a written request to the</p>	<p>The term credit limits refers to the purchase limits of the card.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Contractor, which shall be processed by the Contractor within 48 hours or receipt...</p> <p>Question to the State We request that the State clarify the meaning of "credit limits."</p>	
<p>59 Page 38, A.5.b.4.ii.b – The Contractor shall disallow and prevent purchases of the following: Products and services whose codes the State currently – or at any time during the term of this contract – deems inappropriate for Universal Card use, including codes for unapproved maintenance and repair service.</p> <p>Comment for the State The proposer would have no insight into whether or not "maintenance and repair" is deemed inappropriate use by the State. Controls can be set by the State for the card or the profile to assist with reducing unauthorized use but ultimately if the card is a valid card used by a driver at an accepting location the State would be responsible for the purchase even if controls were set to prevent service purchases.</p> <p>Suggested change The proposer asks that the State remove the following text: "Products and services whose codes the State currently – or at any time during the term of this contract – deems inappropriate for Universal Card use, including codes for unapproved maintenance and repair service."</p>	<p>The State has modified pro forma Contract sections A.5.b.(4)ii. (a) and (b), as specified in Amendment Section 14, following this table.</p>
<p>60 Page 39, A.6.a.2.ii - Availability of data older than 13 months upon request by the State.</p> <p>Suggested change The proposer requests that this be changed to: "Availability of data older than 13 months and for up to 6 years from the transaction date upon request by the State. It is not required that this data be in the format in which it was originally presented."</p>	<p>The State is unwilling to modify the language as requested.</p>
<p>61 Page 40, A.6.b.4.i.g Merchant Category Detail Report lists all purchases made with each Universal Card subtotaled by merchant category code. Information includes: Date of Transaction,</p>	<p>The language of pro forma Contract Section A.6.b.(4)i.(g) has been edited to clarify the State's acceptance of a number of classification codes. See Amendment section 7, following this table.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Credit Card Number, Vehicle License Number, Merchant Category Code, Merchant Name, and Transaction Amount;</p> <p>Suggested Change Pro Forma Section A.6.b. indicates that Merchant Category Code is not a requirement. The proposer requests that “Merchant Category Code” be removed from the above paragraph.</p>	
<p>62 Page 41, A.7.b. -- The Contractor will provide fraudulent usage reporting through the customer service number, 7 days a week, 365 days a year, from 7:00 A.M. to 6:00 P.M.</p> <p>Question to the State Please clarify is you require customer service to be available to receive reports of suspected fraud <u>from</u> the State during these times or if you require the contractor to be available to report suspected fraud <u>to</u> the State during these times.</p>	<p>The language of A.7.b. specifically requires that the customer service component be available for fraudulent usage reporting FROM the State to the Contractor.</p> <p>However, by whatever means available to the Contractor, and by whomever retains such authority, the State expects that such reporting TO the State will be delivered by the Contractor as well.</p>
<p>63 Page 42, C.3.a – The State shall compensate the Contractor for the actual payments that the Contractor has remitted to retailers for State purchases...</p> <p>Comment for the State The proposer takes out interchange and then settles with the merchant, so it is not the “actual payment” we remit to the retailer. We do not upcharge the customer, but we do take out interchange before paying the merchant.</p> <p>Suggested Change The proposer requests that the above be changed to: “Contractor shall bill the State for the retail price of the transactions as transmitted to it by the retailers.”</p>	<p>The State has modified pro forma Contract Section C.3.a., as detailed in Amendment Section 15, following this table.</p>
<p>64 Page 45, C.5.b.3 – Not include sales tax or shipping charges.</p> <p>Suggested change: The proposer asks that the State amend this requirement to allow for overnight shipping charges. The proposer also asks that the State allow the inclusion in the Cost Proposal of a fee schedule that will include expedited shipping fees.</p>	<p>The State is unwilling to make the suggested modification.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>65 Page 47, D.9 - ...shall be maintained for a period of three full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury or their duly appointed representatives.</p> <p>Suggested Change The proposers asks that the above be changed to: "...shall be maintained for a period of six years from the transaction date and shall be subject to audit no more than twice per calendar year during regular business hours and upon reasonable notice by the State, the Comptroller of the Treasury or their duly appointed representatives."</p>	<p>The State is unwilling to make the suggested modification.</p>

3. Delete pro forma Contract Section E.13. (contained in RFP Attachment 6.6.) in its entirety and insert the following in its place:

E.13. It is expressly understood and agreed the obligation set forth in section C.3.b. shall survive the termination of this Contract as specifically indicated therein.

4. Delete RFP section 1.1 in its entirety and insert the following in its place:

1.1. Statement of Procurement Purpose

The State intends to secure a contract for provision of Universal Card services for the purchase of gasoline and minor maintenance and repairs at retail locations. The State requires that the Universal Card will have 'pay-at-the-pump' functionality and widespread acceptance throughout the State and nationwide. Fuel purchases will include unleaded regular, plus, and premium, Number 2 diesel fuel (low & ultra low sulfur), as well as E85 and B20.

Proposers should understand the primary purpose of this procurement is to facilitate a more efficient means of purchasing fuels and service, with greater geographic access than is currently available. RFP Attachment 6.7 provides contract/program background information.

5. Delete Pro Forma section A.3.f and renumber any subsequent sections as necessary.

6. Delete Pro Forma section A.3.b. in its entirety and insert the following in its place:

A.3.b. Parts and services to be available for purchase with the Universal Card shall include, but are not limited to, the following:

- batteries
- automotive hoses
- fuel and maintenance filters
- automotive belts
- auto bulbs
- headlamps

- fuses
- sparkplugs and other ignition components
- oil change
- transmission fluid and filters;
- adding motor oil
- fuel and maintenance conditioners
- windshield wiper fluid
- brake fluid
- other automotive fluids
- brake repair
- cooling systems service or repair

7. Delete Pro Forma section A.6.b.(4)i.(g) in its entirety and insert the following in its place:

A.6.b.(4)i.(g) Merchant Category Detail Report lists all purchases made with each Universal Card subtotaled by a standardized code acceptable to the State, which may include the Merchant Category Code (MCC), the Standard Industry Classifications (SIC), or a Contractor-created standardized code. Information includes: Date of Transaction, Credit Card Number, Vehicle License Number, Merchant Category Code, Merchant Name, and Transaction Amount;

8. Delete Pro Forma section A.6.b.(3) in its entirety and insert the following in its place:

A.6.b.(3) The Contractor shall weekly submit to the State, at no additional cost, a minimum of Level III Reporting, which shall include the following information in electronic format acceptable to the State:

ITEM	MAXIMUM LENGTH	FORMAT
Purchase Date and Time	6	YYMMDD
Account Number	TBD	Numeric
Vehicle ID (unit or license #)	6	Alpha/Numeric
Odometer	7	999,999
Standardized Classification Code (Merchant Classification Code (MCC), Standard Industry Classifications (SIC), or Contractor-created standardized code acceptable to the State	3	Alpha/Numeric
Merchant Site Unique Identifier	20	Alpha/Numeric
Merchant Name	12	Alpha/Numeric
Merchant Street Address	14	Alpha/Numeric
Merchant City, State, Zip	20	Alpha/Numeric
Number of Units (i.e., gallons)	11	999,999,999
Total Purchase Cost	10	999,999.99
Cost Per Gallon	6	Numeric
Driver Identification Number (Edison ID, if applicable)	20	Alpha/Numeric
Fuel Grade	2	Numeric
Service Type	5	Alpha/Numeric
Sales Tax (if applicable)	5	Numeric
Line Item Detail (for non-fuel purchases) ¹	25	Alpha/Numeric
Discount Amount	5	Numeric

¹ Line Item Detail must include, at a minimum, reasonably complete descriptions, quantities, and units of measure.

9. Delete Pro Forma section B.1. in its entirety and insert the following in its place:

B.1 This Contract shall be effective for the period beginning February 9, 2011, and ending on December 31, 2012. The Contractor hereby acknowledges and affirms that the State shall have no obligation for services rendered by the Contractor which were not performed within this specified contract period.

10. Delete RFP Attachment 6.2 section C.6.3. in its entirety and insert the following in its place:

C.6.3. A timeline, associated tasks, and responsible parties for issuing Universal Cards not later than 60 days following the contract start date.

11. Delete pro forma contract section A.5.b.(2). in its entirety and insert the following in its place:

A.5.b.(2). For go-live purposes, the Contractor will issue approximately 6300 Universal Cards to the State within sixty (60) days of the Contract start date. The Universal Card will be shipped via certified or express mail, for delivery during standard State working hours, 8:00 am to 4:30 pm Central Time, to the address listed in item A.5.b.2.ii of the Contract.

12. Delete pro forma contract section A.9.5. (under "Deliberable Date" column) in its entirety and insert the following in its place:

A.9.5. Not later than 60 calendar days following contract start date.

13. Delete pro forma contract section A.8.b. in its entirety and insert the following in its place:

A.8.b. The Contractor shall provide a 24-hour/365-days toll-free telephone help line to assist the State and its vehicle operators with the program. The help line shall be available at no additional cost to the State. At minimum, the customer service line will provide:

- instruction regarding payment card usage;
- instruction regarding access to roadside assistance;
- information regarding locations of fuel and maintenance sites;
- fraudulent usage reporting;
- reporting lost or stolen cards

14. Delete pro forma contract section A.5.b.(4).ii. in its entirety and insert the following in its place:

A.5.b.(4)ii. Standardized Classification of Products and Services: Restrictions

- (a) The Contractor shall establish charge authorization procedures to ensure certain transactions are denied. The Contractor shall have no liability or responsibility with respect to the verification or correction of SICs or MCCs selected by the State, or implemented with respect to any provider of goods and/or services. The Contractor shall be capable of providing such restrictions on an individual cardholder basis as well as on an agency-wide basis.

- (b) The State and the vehicle operator are not liable for unauthorized charges against a card that occur after the State notifies the Contractor of the loss, theft, or possible unauthorized use of that card.

15. Delete pro forma contract section C.3.a. in its entirety and insert the following in its place:

C.3.a. The State shall compensate the Contractor for the actual amount of purchases made by the State, including any discounts offered to the State by retailers, and in a total amount not to exceed the Contract Maximum Liability established in Section C.1. Said payments shall be for purchases by use of authorized Universal Cards that can be appropriately reconciled. In NO event shall the Contractor add or the State pay processing fees of any kind whatsoever, and compensation shall be additionally contingent upon the Contractor's satisfactory completion of service defined in Contract Section A.