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ARIZONA DEPARTMENT OF ADMINISTRATION

100 NORTH FIFTEENTH AVENUE • SUITE 402
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NASPO Value Point Commercial Card Solutions
P-Card and Travel Card

NASPO Master Contract Number 00719

Arizona Participating Addendum

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract No.: CTR051382

Contractor: U.S. Bank National Association

In accordance with Arizona Revised Statute (A.R.S.) §41-2632 and Arizona Administrative Code (AAC) R2-7-1002, Cooperative Purchasing, the following document shall relay all additional requirements for the State of Arizona in its use and participation in the NASPO Value Point contract for Commercial Card Solutions, Master Agreement Contract Number 00719 as competitively awarded by the State of Washington as Lead State (as amended, supplemented or otherwise modified, the "Master Agreement"). Portions of the Master Agreement are reproduced herein for ease of reference only; the most recent version of the Master Agreement is available on either the NASPO website (<https://www.naspovaluepoint.org/participants/participant-results/?state=Washington>) or the State of Washington website (<https://des.wa.gov/services/contracting-purchasing/current-contracts/naspo-valuepoint>). To the extent that terms are used in the Participating Addendum that are defined in the Master Agreement, the definition in the Master Agreement shall be incorporated in this Participating Addendum, as if stated herein. This Participating Addendum shall be effective upon the signature of both parties.

All requirements stated within this document are allowable under the Arizona Procurement Code Arizona Procurement Code (A.R.S. §§ 41-2501 *et seq.*, and the rules promulgated thereunder, AAC R2-7-101 *et seq.*) Any attempt to modify or change this document without consent from the State of Arizona shall be null and void.



Table of Contents

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382
Description: Commercial Card Solutions

Contractor: U.S. Bank National Association

PARTICIPATING ADDENDUM.....	3
MASTER AGREEMENT TERMS AND CONDITIONS.....	4
SCOPE OF WORK.....	6
SPECIAL TERMS AND CONDITIONS.....	7
UNIFORM TERMS AND CONDITIONS.....	34
Appendix E Master Agreement Price Worksheet	42
Attachment 2 Boycott of Israel Disclosure	54



Attachment 1 – Participating Addendum

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382
Description: Commercial Card Solutions

Contractor: U.S. Bank National Association

PARTICIPATING ADDENDUM

TO THE STATE OF ARIZONA:

The Undersigned hereby agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments as set forth in the Master Agreement and the Participating Addendum.

U.S. Bank National Association

E-SIGNED by Brad Hoffelt
on 2021-02-16 19:06:39 GMT

Company Name		
901 Marquette Ave. S.		
Address		
Minneapolis	Minnesota	55402
City	State	Zip
Courtney.hoppe@usbank.com		
Email		

Signature of Person Authorized to Sign Offer	
Brad Hoffelt	
Printed Name	
Senior Vice President	
Title	
310.363.5850	
Phone Number	

By signature in the section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009- 09 or A.R.S. §§ 41-1461 through 1465.
3. The Offeror has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS/ **IS NOT {X}** a small business with less than 100 employees or has gross revenues of \$4 million or less.

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona

Awarded this 16 day of February, 2021

Stephen Nettles

Statewide Procurement Group Manager



Master Agreement Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382
Description: Commercial Card Solutions

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MASTER AGREEMENT TERMS AND CONDITIONS

- Participation:** This NASPO ValuePoint Master Agreement may be used by the State of Arizona, and its departments, agencies, boards, commissions, universities, Cooperative Members and other entities authorized to use statewide contracts in the State of Arizona. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official.
- Scope:** This addendum covers the Commercial Card Solutions led by the State of Washington for use by state agencies and other entities located in the State of Arizona authorized by that State's statutes to utilize State contracts with the prior approval of the State's Chief Procurement Official. See Appendix E Price Worksheet Exhibit A – Commercial Card Products.
- Primary Contacts:** The primary contact individuals for this Participating Addendum are as follows (or their named successors):

Contractor

Name:	Cheryl Mielnicki
Address:	800 Nicollet Mall, Minneapolis, MN 55402
Telephone:	623-256-6229
Email:	Cheryl.mielnicki@usbank.com

Participating Entity

Name:	Nick Perrera
Address:	100 North 15th Avenue, Suite 402, Phoenix, AZ 85007
Telephone:	(602) 542-9128
Email:	Nick.Perrera@azdoa.gov

4. Participating Entity Modifications Or Additions To The Master Agreement

These modifications or additions apply only to actions and relationships within the Participating Entity. Participating Entity must check one of the boxes below:

☐ No changes to the terms and conditions of the Master Agreement are required.

☒ The following changes are modifying or supplementing the Master Agreement terms and conditions.

4.1. Definition

- 4.1.1. "Contract" For the purpose of this Participating Addendum, the term Contract refers to the NASPO ValuePoint Master Agreement resulting from the NASPO ValuePoint Solicitation, as defined therein, and as modified by this Participating Addendum (including the Uniform and Special Terms and Conditions, the Scope of Work, and Appendix E Price Worksheet) and any Amendments to either the NASPO ValuePoint Master Agreement or the Participating Addendum.

4.2. The following attachments are hereby incorporated into this Participating Addendum:

4.2.1. Attachment 1 Participating Addendum

4.2.2. Attachment 2 Boycott of Israel

5. **Subcontractors:** All contactors, dealers, and resellers authorized in the State of Arizona, as shown on the dedicated Contractor (cooperative contract) website, are approved to provide sales and service support to participants in the



Master Agreement Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382
Description: Commercial Card Solutions

Contractor: U.S. Bank National Association

NASPO ValuePoint Master Agreement. The contractor's dealer participation will be in accordance with the terms and conditions set forth in the aforementioned Master Agreement.

6. Orders: Any order placed by a Participating Entity or Purchasing Entity for a product and/or service available from this Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions) of the Master Agreement unless the parties to the order agree in writing that another contract or agreement applies to such order.



Scope of Work

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382
Description: Commercial Card Solutions

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SCOPE OF WORK

1. Introduction

The State of Arizona, its Agencies, Boards and Commissions (State), as well as authorized Cooperative Members, have an ongoing requirement for the products and services as described herein. This NASPO Value Point Participating Addendum (Participating Addendum or PA) is developed by and for the State of Arizona. This PA is based on the award of a competitively solicited procurement, performed in concert with NASPO Value Point and the State of Washington.

2. Background

Enterprise Services, as a part of a cooperative purchasing competitive governmental procurement, with administrative support from NASPO ValuePoint, issued Competitive MASTER CONTRACT NO. 00719 COMMERCIAL CARD SERVICES 3 (Rev. 2020-03-11). Solicitation No. 00719/00819, dated June 4, 2019, regarding Commercial Card Services. Eleven (11) states indicated an intent to utilize the resulting cooperative purchasing Master Agreement.

Enterprise Services and a stakeholder team consisting of representatives from Washington, Oregon, California, Colorado, and Minnesota evaluated all responses to the Competitive Procurement and identified Contractor as the Apparent Successful Bidder (ASB) for Category 1 - Commercial Card Services.

Enterprise Services determined that entering into this Master Agreement will meet the cooperative purchasing needs and be in the best interest of the State of Washington.

The purpose of this Master Agreement is to enable Participating States and Purchasing Entities to utilize Commercial Card Services as set forth herein.

3. State of Arizona Requirements

The Offeror shall make Rebate/Incentive Share Payments via account credit, mailed check, or ACH or EFT payment (via standard or non-standard format), as determined by the Eligible Agency.

The Offer shall provide a report with the breakdown of the rebate and/or incentive, including a description of what rebate/incentive pertains to (Annual Rebate, Quarterly Rebate, P-Card/Travel Card Incentive) must be provided each time rebates and/or incentive payments are made.

The Offeror shall notify the Eligible Agency within a commercially reasonable time when a rebate/incentive payment is made.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

SPECIAL TERMS AND CONDITIONS

The Special Terms and Conditions modify the Uniform Terms and Conditions and its Appendices. It can modify them by replacing, deleting, appending to, or revising the text of an existing provision or by inserting a new paragraph into an existing article. No other document modifies or adds to the Uniform Terms and Conditions, except as may subsequently be otherwise and expressly agreed and incorporated by Contract Amendment.

ACCEPTED EXCEPTIONS

MASTER AGREEMENT

National Annual Volume Incentive Share #4: For the purposes of this Participating Addendum, the Contractor agrees to pay the National Annual Volume Incentive (Incentive #4) to the State on a quarterly basis.

SPECIAL TERMS AND CONDITIONS

Section 1.0 Definition of Terms

Capitalized terms used but not defined have the same meaning given to such terms as in the Master Agreement.

1.1 Acceptance: "Acceptance" means the document headed "**Attachment 1 - Participating Addendum**" bearing the State contract number once Procurement Officer has signed it to signify (1) State's formal acceptance of the Accepted Offer and (2) the formation of the Contract. For clarity of intent, the foregoing is not to be confused with the term "acceptance" used throughout the Contract in the context of delivery, inspection, etc., with respect to Materials or Services.

1.5 Pricing Document: "Pricing Document" means **Appendix E Master Agreement Pricing**, provided that, if there is no such Section in the Contract, then "Pricing Document" is to be construed as referring to whatever item in the Contract contains the contracted pricing and payment provisions.

1.6 Contract Amendment: "Contract Amendment" means a document signed by Procurement Officer and **acknowledged by the Contractor** that has been issued for the purpose of making changes to the Contract after execution.

1.12 Indemnified Basic claims: **Deleted**

1.16 "Order" means the **instrument acceptable to Contractor in form and substance** by which State authorizes Contractor to perform some or all of the Work. Whether the Contract will have one Order or many Orders depends the scope of the Contract and how State will use it. The Special Terms and Conditions provide that information. Any of the following is to be construed as being an "Order":

Section 2.0 Contract Interpretation

2.2.2.1. Participating Addendum and Attachments 1 and 2, **following the Order of Precedence in the Uniform Terms and Conditions**; and

2.2.3 ATTACHMENT AND EXHIBITS. For clarity of intent, if an item was and Attachment in the **Participating Addendum or the Master Agreement** and was subsequently made into an Exhibit, or its content was incorporated into one of the other Contract documents, then that Attachment no longer exists contractually as an "Attachment" since it has at that point been made into some other Contract document. In every other case, an Attachment and the Offeror data therein remain part of the Offer for purposes of precedence and contractual effect.

Section 3.0 Contract Administration and Operation

3.1 Term of Contract: The term of Contract will commence on the date indicated on the Execution page of the Participating Addendum and **continue as stated in the Master Agreement** terms and/or as modified therein.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

3.6.3 Auditing: Contractor or Subcontractor shall either make all such books and records under subparagraphs 3.6.1 and 3.6.2 available to State at all reasonable times or produce the records at a designated State office **upon reasonable prior written notice from** the State. For the purpose of this paragraph, "reasonable times" are during normal business hours and in such a manner so as to not unreasonably interfere with normal business activities.

3.8 Inspection and Testing: By A.R.S. § 41-2547, State may at reasonable times inspect the part of Contractor's or Subcontractors' plant or places of business related to performance under the Contract. Accordingly, Contractor agrees to permit (for itself) and ensure (for Subcontractors) access for inspection at any reasonable time to its facilities, processes, and services. State may inspect or test, at its own cost, any finished goods, work-in-progress, components, or unfinished materials that are to be supplied under the Contract or that will be incorporated into something to be supplied under the Contract. If the inspection or testing shows **material defects and non-conformance** or defects, then Contractor will owe State reimbursement or payment of all costs it incurred in carrying out or contracting for the inspection and testing, as well as for any re-inspection or re-testing that might be necessary. Neither inspection of facilities nor testing of goods, work, components, or unfinished materials will of itself constitute acceptance by State of those things.

3.12.3 ORDERS ARE OBLIGATORY. Until the expiration or earlier termination of the Contract, State may issue and Contractor shall accept Orders that make proper reference to the Contract and are permissible hereunder, provided that, Contractor is not obliged to accept any Order that is not consistent with the then-current pricing, lead times, specifications, or payment provisions of the Contract. Contractor shall fulfill and complete any Orders that are begun but not yet completed as of expiration or earlier termination of the Contract unless State instructs otherwise at the time. **Notwithstanding the foregoing, Contractor acceptance of any Order is subject to Contractor's approval, which includes, but is not limited to, credit underwriting and related know-your-customer requirements.**

3.13.3.3 Contractor shall pay State an administrative fee against all Contract sales to Co Op Buyers, as provided for under A.R.S. § 41 2633. The fee rate is zero **(0%) percent**. Failure to remit the administrative fees is a material breach of contract, and will entitle State to its remedies under Article 8 and its right to terminate for default under Article 9. Method of calculation, payment procedures, and other details are provided on the State Procurement Office website:

<https://spo.az.gov/contractor-resources/statewide-contracts-administrative-fee>

3.14.1.2 **If applicable**, by instructing Contractor to provide a comprehensive proposal of item quantities, combinations, etc., or services hours, personnel, etc., for a defined scope using those established prices as a basis, then validating and negotiating the proposal with Contractor and issuing an Order if and when reaching agreement.

3.14.1.3 **If applicable**, as described in (3.14.1.2.) above but requesting the proposal from both Contractor and other vendors who are contracted within the applicable scope categories and locations, either sequentially or concurrently, then selecting the proposal or proposals combination that is most advantageous to State.

3.14.1.4 **If applicable**, as described in (3.14.1.3.) above but introducing ad-hoc commercial competition by making the selection and ordering conditional on obtaining more favorable prices than the contractually-established ones.

3.14.2 **If applicable**, when evaluating the proposals under (3) and (4) above, State may select based on price (for example, a quoted number of hours times the contracted or improved rate plus a fixed amount for incidentals), by experience and qualifications (for example, having an office nearer the required work location), or whatever combination thereof it determines is most appropriate to the work in question

Section 4.0 Cost and Payments

4.1.1 PAYMENT DEADLINE. State shall make payments in compliance with Arizona Revised Statutes Titles 35 and 41. Unless and then only to the extent expressly stated otherwise in the Pricing Document, State shall make payment in full for Materials that have been delivered and Services that have been performed and accepted within the time specified in A.R.S. § 35-342 after both of the following become true:



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

4.1.1.1. all undisputed transactions have been performed according to the scope of services rendered under the Master Agreement; and

4.2.2 Except for Write-off Adjustments, U.S. Bank has no right to recover any additional amounts related to Write-Off Recoveries including but not limited to legal fees.

Section 6.0 Risk and Liability

1 Commercial General Liability (CGL) – Occurrence Form Policy Shall include property damage personal injury and contractual liability coverage

NOTICE OF CANCELLATION: Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended or be canceled, or be without thirty (30) days prior written notice to the State of Arizona; **provided that, when the cause is non-payment of premium, only ten (10) days' prior written notice is required.** Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, **changed so as to not be in compliance with the requirements of this sections**, has expired, or will be expiring and is not being replaced by any equivalent policy. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to State Procurement Office.

ACCEPTABILITY OF INSURERERS: Contractor's Insurance shall be placed with companies licensed or **authorized to conduct business in** the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All such certificates required by this Contract shall be sent directly to the Arizona State Procurement Office. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. **Last sentenced deleted.**

4. Professional Liability (Errors and Omissions Liability)

Each Claim \$ 2,000,000

Annual Aggregate \$ 2,000,000

a. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, the Contractor warrants that any retroactive date under the Policy shall precede the effective date of this Contract; and, either continuous coverage will be maintained or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

b. The Policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this Contract.

5. Network Security (Cyber) and Privacy Liability – Required as applicable to the services provided.

Each Claim \$ 2,000,000

Annual Aggregate \$ 2,000,000

a. Such insurance shall include, but not be limited to, coverage for third party claims and losses with respect to network risks (such as data breaches, unauthorized access or use, ID theft, theft of data) and invasion of privacy regardless of the type of media involved in the loss of private information, crisis management and identity theft response costs. This should also include breach notification costs, credit remediation and credit monitoring, defense and claims expenses, regulatory defense costs plus fines and penalties, cyber extortion, computer program and electronic data restoration expenses coverage (data asset protection), network business interruption, computer fraud coverage, and funds transfer loss.

b. In the event that the Network Security and Privacy Liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.

c. **Deleted.**

d. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its department, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

6.3 Indemnification

6.3.1. To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all **third-party** claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any **third-party** claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnification will survive the termination of the above listed contract with the Contractor.

Section 7.0 Warranties

7.3 Intellectual Property: Contractor warrants that the Materials and Services do not and will not infringe or violate any patent, trademark, copyright, trade secret, or other intellectual property rights or laws, except only to the extent the **Contract** do not permit use of any other product and Contractor is not and cannot reasonably be expected to be aware of the infringement or violation.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

7.5 Operational Community: Contractor warrants that it will, **to the extent applicable**, perform without relief notwithstanding being sold or acquired; no such event will operate to mitigate or alter any of Contractor's duties hereunder absent a consented delegation under paragraph 5.2 [Assignment and Delegation] that expressly recognizes the event.

7.6 Performance in Public Health Emergency: 7.6.1.1.4 provide a **summary of its plan** to State within 3 (three) business days after State's written request. If Contractor claims relief under paragraph 6.5 [Force Majeure] for an occurrence of force majeure that is a declared public health emergency, then that relief will be conditioned on Contractor having first implemented its plan and exhausted all reasonable opportunity for that plan implementation to overcome the effects of that occurrence, or mitigate those effects to the extent that overcoming entirely is not practicable

Section 12.0 General Provisions for Services

12.3 Additional Services: State at its discretion may **request** to modify the scope of the Contract by Contract Amendment to include additional services or service categories that are within the general scope of the ones originally covered by the Contract; **provided that such modification remains within the scope of the Master Agreement**. Once the Contract Amendment is fully executed, Contractor shall then update all applicable price lists and make them available to all affected entities at no additional cost. Either party may make the request to add services to the Contract; regardless of who makes the request, the parties shall negotiate in good faith a fair price for any additional services, but State may elect not to add some or all of the services in question if no agreement is reached on pricing in a timely manner. Contractor's request or proposal in response to State's request must include documentation demonstrating that the proposed price for the additional services is both fair and reasonable and comparable to the original ones.

12.4 Off-Contract Services: Contractor shall ensure that the design and/or procedures for the Services ordering method prevents Orders for off-contract or excluded services. Notwithstanding that State might have its own internal administrative rules regarding off contract or excluded service ordering, and endeavors to prevent such orders from occurring, Contractor is responsible for not accepting any such Orders. State may, at its discretion, cancel any such **off-contract** Order without obligation. As used above, "off-contract service" refers to any service not included in the scope of the Contract and for which no price or compensation has been established contractually, and "excluded service" refers to any service expressly excluded from the scope of the Contract.

12.5 Removal of Personnel: Exception: Notwithstanding that Contractor is in every circumstance responsible for hiring, assigning, directing, managing, training, disciplining, and rewarding its personnel, State may, **for any lawful reason**, at its discretion and without the obligation to demonstrate cause instruct Contractor to remove any of its personnel from State's facilities or from further assignment under the Contract. In such cases, Contractor shall promptly endeavor to replace them with other personnel having equivalent qualifications, and capabilities.

12.9 State has the right to make acceptance of Services subject to acceptance criteria. State may apply as acceptance criteria conformity to the Contract, accuracy, completeness, or other indicators of quality or other matter for which the Contract or law states a requirement, whether stated directly or by reference to another document, standard, reference specification, etc. State will not owe Contractor any payment for un-accepted Services; and State may, at its discretion, withhold or make partial payment for any rejected Services if Contractor is still in the process of re-performing or otherwise curing the grounds for State's rejection. **Notwithstanding the foregoing, all Services shall be deemed accepted by the State and the State remains liable for any Obligations incurred.**

13.0 Data and Information Handling

13.2.1.1. Contractor shall:

13.2.1.1.1. notify State **promptly, in the event Contractor becomes aware that the State's proprietary or sensitive data has been compromised as a result of a breach of security at Contractor and such notice will include Contractor's reasonable estimate of the number of records affected and the nature of the information exposed, along with the steps taken by Contractor to limit such exposure and avoid a recurrence thereof;**



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

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13.2.1.2. Contractor shall not:

13.2.1.2.1. release any such data or allow it to be released or divulge any such information to anyone other than its employees, **agents, subcontractors** or officers as needed for each person's individual performance of his or her duties under the Contract, unless State has agreed otherwise in advance and in writing; or

13.2.1.2.2. respond to any requests it receives from a third party for such data or information, and instead route all such requests to State's designated representative, **except for such requests that are necessary to perform under this Contract.**

Section 14.0 Information Technology Work

14.1 Applicability: Article 14 applies to any Invitation for Bids, Request for Proposals, or Request for Quotations for "Information Technology," as defined in A.R.S. § 41-3501(6) 6: " . . . computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, vendor support and related services, equipment and projects" if and to the extent that the Work is or includes Information Technology. **The parties agree and acknowledge that, as of the date of execution, this Contract is not for Information Technology.**

14.2 Background Checks: Each of **Contractor's personnel providing on site visits and/or support services within State facilities/locations** must undergo the security clearance and background check procedure, which includes fingerprinting, as required by A.R.S. § 41-710. Contractor shall obtain and pay for the security clearance and background check. Contractor personnel who will have administrator privileges on a State network must additionally provide identify and address verification and undergo State-specified training for unescorted access, confidentiality, privacy, and data security.

14.6.2.3 for Services, the amount paid by State or an amount equal to 12 (twelve) months of **fees**, whichever is less.

14.11 **State agrees to remove AZ Ramp Certification Requirement and Contractor warrant and agrees to be PCI compliant for the term of this Contract including any extensions of the current contract term, and shall provide proof of PCI compliance to the State upon request.**

UNIFORM TERMS AND CONDITIONS

4.4 Availability of Funds for Next State Fiscal Year: Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract; **provided, however that the State shall remain liable for any Obligations incurred prior to the end of the applicable fiscal year.**

8.2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. **In the event the State issues a stop work order, the State remains liable for all outstanding Obligations incurred under the Contract and such Obligations remain subject to any applicable fees.**

1.0 Definition of Terms

As used in the Contract, the terms listed below are defined as follows:

1.1. Acceptance

"Acceptance" means the document headed "Offer and Acceptance Form" bearing the State contract number once Procurement Officer has signed it to signify (1) State's formal acceptance of the Accepted Offer and (2) the formation of the Contract. For clarity of intent, the foregoing is not to be confused with the term "acceptance" used throughout the Contract in the context of delivery, inspection, etc., with respect to Materials or Services.

AVAILABLE ONLINE AT APPSTATE.AZ.GOV



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

1.2. Arizona Procurement Code; A.R.S.; A.A.C.

"Arizona Procurement Code, "A.R.S.," and "A.A.C." are each defined in the Instructions to Offerors.

1.3. Arizona TPT

"Arizona TPT" means Arizona Transaction Privilege Tax. For information, refer to the Arizona Department of Revenue (DOR) website at:

<https://www.azdor.gov/business/transactionprivilegetax.aspx>.

1.4. Attachment

Attachment" means any item that:

1. the Solicitation required Offeror to submit as part of the relevant Offer (e.g., Initial Offer, Revised Offer, or BAFO);
2. was attached to an Offer when submitted; and
3. was included in the Accepted Offer.

1.5. Pricing Document

"Pricing Document" means Section 2-B of Part 2 of the Solicitation Documents, provided that, if there is no such Section in the Contract, then "Pricing Document" is to be construed as referring to whatever item in the Contract contains the contracted pricing and payment provisions.

1.6. Contract Amendment

"Contract Amendment" means a document signed by Procurement Officer that has been issued for the purpose of making changes to the Contract after execution.

1.7. Contract Terms and Conditions

"Contract Terms and Conditions" means the Special Terms and Conditions and these Uniform Terms and Conditions taken collectively.

1.8. Contractor

"Contractor" means the Person identified on the Accepted Offer who has entered into the Contract with State.

1.9. Contractor Indemnitor

"Contractor Indemnitor" means Contractor or any of its owners, officers, directors, agents, employees, or Subcontractors.

1.10. Co-Op Buyer

"Co-Op Buyer" means a member of the State Purchasing Cooperative that has entered into a "Cooperative Purchasing Agreement" with the Arizona Department of Administration State Procurement Office under A.R.S. § 41-2632. Unless there is an applicable Cooperative Purchasing Agreement in effect at the time, a State Purchasing Cooperative member cannot be a Co-Op Buyer. For reference, "Co-Op Buyer" is to be construed as encompassing "eligible procurement unit" under A.A.C. R2-7-101(23).

NOTE: Membership in the State Purchasing Cooperative is open to all Arizona political subdivisions, including cities, counties, school districts, and special districts. Membership is also available to non-profit organizations, other state governments, the federal government and tribal nations. For reference, "non-profit organizations" are defined in A.R.S. § 41-2631(4) as any nonprofit corporation as designated by the IRS under section 501(c)(3) through 501(c)(6) of the tax code.

1.11. Eligible Agency

If the Special Terms and Conditions indicates that the Contract is a "single-agency" contract, then "Eligible Agency" means the particular State of Arizona agency, university, commission, or board identified therein. If the Special Terms and Conditions indicates that the Contract is a "statewide" contract, then "Eligible Agency" means any State of Arizona department, agency, university, commission, or board.

1.12. Indemnified Basic Claims

"Indemnified Basic Claims" means any and all claims, actions, liabilities, damages, losses, or expenses, including court costs, attorneys' fees, and costs of claim processing, investigation and litigation, for bodily injury or personal injury, including death, or loss or damage to any real or tangible or intangible personal property, collectively. See paragraph 6.3.

1.13. Master Agreement

"Master Agreement" means NASPO Master Agreement Number 00719, as competitively awarded by the State of Washington, as Lead State, to U.S. Bank National Association.

1.14. Offer

"Offer" means the response submitted by U.S. Bank National Association and accepted by Washington State that has been incorporated into the Master Agreement.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

- 1.15. Offeror** "Offeror" means U.S. Bank National Association.
- 1.16. Order** "Order" means the instrument by which State authorizes Contractor to perform some or all of the Work. Whether the Contract will have one Order or many Orders depends the scope of the Contract and how State will use it. The Special Terms and Conditions provide that information. Any of the following is to be construed as being an "Order":
- 1.16.1 "Release" or "Release Purchase Order" in The State's e-Procurement System;
 - 1.16.2 "task order", "service order," or "job order" when a Release Purchase Order for Services has already been committed in The State's e-Procurement System; or "purchase order" for buying by Co-Op Buyers, if co-op buying applies.
- 1.17. The State's e-Procurement System** "The State's e-Procurement System" means State's official electronic procurement system, established pursuant to A.A.C. R2-7-201 as set forth in the Arizona Department of Administration State Procurement Office policy document *Technical Bulletin No. 020, The State's e-Procurement System – The Official State eProcurement System*.
NOTE (1): Technical Bulletin No. 020 is available online at:
<https://spo.az.gov/administration-policy/state-procurement-resource/procurement-regulations>
- 1.18. State** With respect to the Contract generally, "State" means the State of Arizona and its department, agency, university, commission, or board that has executed the Contract. With respect to administration or rights, remedies, obligations and duties under the Contract for a given Order, "State" means each of Eligible Agency or Co-Op Buyer who has issued the Order.
- 1.19. State Indemnities** "State Indemnities" means, collectively, the State of Arizona, its departments, agencies, universities, commissions, and boards and, and their respective officers, agents, and employees.
- 1.20. Subcontractor** "Subcontractor" has the meaning given in A.R.S. § 41-2503(38), which, for convenience of reference only, is "... a person who contracts to perform work or render service to ... [C]ontractor or to another [S]ubcontractor as a part of a contract with a state governmental unit . . ."The Contract is to be construed as "a contract with a state governmental unit" for purposes of the definition. For clarity of intent, a Person carrying out any element of the Work is a Subcontractor from the moment they first carry out that element of the Work regardless of whether or not a Subcontract exists then or subsequently.
- 1.21. Work** "Work" means the totality of the Materials and the Services and all the acts of administration, creation, production, and performance necessary to fulfill and incidental to fulfilling all of Contractor's obligations and duties under the Contract in conformance with the Contract and applicable laws.

2. Contract Interpretation

- 2.1. Usage** Where the Contract:
- 2.1.1. assigns obligations to Contractor, any reference to "Contractor" is to be construed to be a reference to "Contractor and all Subcontractors, whether they are first-tier subcontractors, sub-subcontractors, suppliers, sub-suppliers, consultants, or sub-consultants, as well as all of Contractor's and the Subcontractors' respective agents, representatives, and employees" in every instance unless the context plainly requires that it is be a reference only to Contractor as apart from Subcontractors;
 - 2.1.2. uses the permissive "may" with respect to a party's actions, determinations, etc., the term is to be interpreted as in A.A.C. R2-7-101(31) [Definitions]. For clarity of intent, any right given to State using "State may" or a like construction denotes discretion and freedom to act so far as any regulatory or operative constraints permit in the relevant circumstances, provided that:



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

- 2.1.2.1. where written “may, at its discretion,” the discretion extends to whatever is most advantageous to State; and
- 2.1.2.2. where written only as “may,” the discretion is constrained by what is fair, reasonable, and as accommodating of the respective best interests of both parties as practicable under the circumstances;
- 2.1.3. uses the imperative “shall” with respect to a party’s actions, duties, etc., the term is to be interpreted as in A.A.C. R2-7-101(43) [Definitions]. Conversely, the phrase “shall not” is to be interpreted as an imperative prohibition.
- 2.1.4. uses the term “must” with respect to a requirement, criterion, etc., the term is to be interpreted as conveying compulsion or strict necessity, and is to be read as though written “must, if [the subject] is to be entitled to have [the object] considered or credited as being compliant with, conforming to, or satisfying [the requirement, criterion, constraint, etc.], otherwise, [the object] will be considered or debited as being non compliant, non-conforming, or unsatisfactory for its Contract-related purposes” in every instance;
- 2.1.5. uses the term “might” with respect to an event, outcome, action, etc., the term is to be interpreted as conveying contingency or non-discretionary conditionality; and
- 2.1.6. uses the term “will” or the phrases “is to be” or “are to be” with respect to an event, outcome, action, etc., the term or phrase is to be interpreted as conveying such certainty or imperativeness that “shall” is either unnecessary or irrelevant in that instance.

2.2. Contract Order of Precedence

- 2.2.1. COMPLEMENTARY DOCUMENTS. All of the documents forming the Contract are complementary. If certain work, requirements, obligations, or duties are set out only in one but not in another, Contractor shall carry out the Work as though the relevant work, requirements, obligations, or duties had been fully described in all, consistent with the other documents forming the Contract and as is reasonably inferable from them as being necessary to produce complete results.
- 2.2.2. CONFLICTS. In case of any inconsistency, conflict, or ambiguity among the documents forming the Contract and their provisions, they are to prevail in the following order, descending from most dominate to most subordinate, provided that, among categories of documents or provisions having the same rank, the document or provision with the latest date prevails. Information being identified in one document but not in another is not to be considered a conflict or inconsistency.
 - 2.2.2.1. Participating Addendum and Attachments 1 and 2; and
 - 2.2.2.2. Master Agreement including all Addendums, in the order of precedence stated therein.
- 2.2.3. ATTACHMENTS AND EXHIBITS. For clarity of intent, if an item was an Attachment in the Solicitation Documents or an Offer and was subsequently made into an Exhibit, or its content was incorporated into one of the other Contract documents, then that Attachment no longer exists contractually as an “Attachment” since it has at that point been made into some other Contract document. In every other case, an Attachment and the Offeror data therein remain part of the Offer for purposes of precedence and contractual effect.

2.3. Independent Contractor

Contractor is an independent contractor and shall act in an independent capacity in performance under the Contract. Neither party is or is to be construed as being to be the employee or agent of the other party, and no action, inaction, event, or circumstance will be grounds for deeming it to be so.

2.4. Complete Integration

The Contract, including any documents incorporated into the Contract by reference, is intended by the parties as a final and complete expression of their agreement. There are no prior, contemporaneous, or additional agreements, either oral or in writing, pertaining to the Contract.

3. Contract Administration and Operation

3.1. Term of Contract

The term of the Contract will commence on the date indicated on the Execution page of the Participating Addendum and continue for **twelve (12) months unless cancelled, terminated, or permissibly extended.**



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

3.2. Contract Extensions

State may at its discretion extend the initial Contract term in increments of one or more months and do so one or more times, provided that, the maximum aggregate term of the Contract including extensions cannot exceed the maximum aggregate term of five (5) years.

3.3. Notices and Correspondence

3.3.1. TO CONTRACTOR. State shall:

3.3.1.2. address all Contract correspondence other than formal notices to the email address indicated as "Default for Type" for "General Mailing Address" in Contractor's corresponding The State's e-Procurement System Vendor Profile; and

3.3.1.2. address any required notices to Contractor to the "Contact Name and Title" at the "Mailing Address" indicated on the Accepted Offer, as that address might have been amended during the term of the Contract.

3.3.2. TO STATE. Contractor shall :

3.3.2.2. address all Contract correspondence other than format notices to the email address indicated in "Contact Instructions" in the The State's e-Procurement System Summary for State; and

3.3.2.2. address any required notices to State to Procurement Officer identified as "Purchaser" in the State's e-Procurement System Summary at the following mailing address:

Arizona Department of Administration
State Procurement Office
100 N 15th Ave., Suite 402
Phoenix, AZ 85007

3.3.3. CHANGES. State may change the designated Procurement Officer, update contact information, or change the applicable mailing address by Contract Amendment.

3.4. Signing of Contract Amendments

3.4.1. Contractor's counter-signature – or "approval" in The State's e-Procurement System, in the case of an amendment – is not required to give effect if the Contract Amendment only covers either:

3.4.1.1. extension of the term of the Contract within the maximum aggregate term;

3.4.1.2. revision to Procurement Officer appointment or contact information; or

3.4.1.3. modifications of a clerical nature that have no effect on terms, conditions, price, scope, or other material aspect of the Contract.

3.4.2. In every case other than those listed in (3.4.1.1), (3.4.1.2), and (3.4.1.3) above, both parties' signature – or "approval" in The State's e-Procurement System, in the case of an Amendment – are required to give it effect.

3.5. Click-Through Terms and Conditions

If either party uses a web based ordering system, an electronic purchase order system, an electronic order acknowledgement, a form of an electronic acceptance, or any software based ordering system with respect to the Contract (each an "Electronic Ordering System"), the parties acknowledge and agree that an Electronic Ordering System is for ease of administration only, and Contractor is hereby given notice that the persons using Electronic Ordering Systems on behalf of State do not have any actual or apparent authority to create legally binding obligations

that vary from the terms and conditions of the Contract. Accordingly, where an authorized State user is required to "click through" or otherwise accept or be made subject to any terms and conditions in using an Electronic Ordering Systems, any such terms and conditions are deemed void upon presentation. Additionally, where an authorized State user is required to accept or be made subject to any terms and conditions in accessing or employing any Materials or Services, those terms and conditions will also be void.

3.6. Books and Records

3.6.1. RETAIN RECORDS. By A.R.S. § 41-2548(B), Contractor shall retain and shall contractually require each Subcontractor to retain books and records relating for any cost and pricing data submitted in satisfaction of § 41-2543 for the period specified in the statute.

3.6.2. RIGHT TO AUDIT. The retained books and records are subject to audit by State during that period. By A.R.S. § 41-2548(B), Contractor shall retain and shall contractually require each Subcontractor to retain books and

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Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

records relating to performance under the Contract for the period specified in the statute and those retained books and records are subject to audit by State during that period.

- 3.6.3. AUDITING. Contractor or Subcontractor shall either make all such books and records under subparagraphs 3.6.1 and 3.6.2 available to State at all reasonable times or produce the records at a designated State office on State's demand, the choice of which being at State's discretion. For the purpose of this paragraph, "reasonable times" are during normal business hours and in such a manner so as to not unreasonably interfere with normal business activities.

3.7. Contractor Licenses

Contractor shall maintain current all federal, state and local licenses and permits required for the operation of its business in general, for its operations under the Contract, and for the Work itself.

3.8. Inspection and Testing

By A.R.S. § 41-2547, State may at reasonable times inspect the part of Contractor's or Subcontractors' plant or places of business related to performance under the Contract. Accordingly, Contractor agrees to permit (for itself) and ensure (for Subcontractors) access for inspection at any reasonable time to its facilities, processes, and services. State may inspect or test, at its own cost, any finished goods, work-in-progress, components, or unfinished materials that are to be supplied under the Contract or that will be incorporated into something to be supplied under the Contract. If the inspection or testing shows non-conformance or defects, then Contractor will owe State reimbursement or payment of all costs it incurred in carrying out or contracting for the inspection and testing, as well as for any re-inspection or re-testing that might be necessary. Neither inspection of facilities nor testing of goods, work, components, or unfinished materials will of itself constitute acceptance by State of those things.

3.9. Ownership of Intellectual Property

3.9.1. RIGHTS IN WORK PRODUCT. All intellectual property originated or prepared by Contractor pursuant to the Contract, including but not limited to, inventions, discoveries, intellectual copyrights, trademarks, trade names, trade secrets, technical communications, records reports, computer programs and other documentation or improvements thereto, including Contractor's administrative communications and records relating to the Contract, are considered work product and Contractor's property, provided that, State has Government Purpose Rights to that work product as and when it was delivered to State.

3.9.1.1. "Government Purpose Rights" are:

- 3.9.1.1.1. the unlimited, perpetual, irrevocable, royalty free, non-exclusive, worldwide right to use, modify, reproduce, release, perform, display, sublicense, disclose and create derivatives from that work product without restriction for any activity in which State is a party;
- 3.9.1.1.2. the right to release or disclose that work product to third parties for any State government purpose; and
- 3.9.1.1.3. the right to authorize those to whom it rightfully releases or discloses that work product to use, modify, release, create derivative works from the work product for any State government purpose; such recipients being understood to include the federal government, the governments of other states, and various local governments.

3.9.1.2. "Government Purpose Rights" do not include any right to use, modify, reproduce, perform, release, display, create derivative works from, or disclose that work product for any commercial purpose or to authorize others to do so.

3.9.2. JOINT DEVELOPMENTS. The parties may each use equally any ideas, concepts, know-how, or techniques developed jointly during the course of the Contract, and may do so at their respective discretion, without

obligation of notice or accounting to the other party.

3.9.3. PRE-EXISTING MATERIAL. All pre-existing software and other materials developed or otherwise obtained by or for Contractor or its affiliates independently of the Contract or applicable Purchase Orders are not part of the work product to which rights are granted State under subparagraph 3.9.1 above, and will remain the exclusive property of Contractor, provided that:

- 3.9.3.1. any derivative works of such pre-existing material or elements thereof that are created pursuant to the Contract are part of that work product;



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

3.9.3.2. any elements of derivative work of such pre-existing material that was not created pursuant to the Contract are not part of that work product; and

3.9.3.3. except as expressly stated otherwise, nothing in the Contract is to be construed to interfere or diminish Contractor's or its affiliates' ownership of such pre-existing materials.

3.9.4. DEVELOPMENTS OUTSIDE OF CONTRACT. Unless expressly stated otherwise in the Contract does not preclude Contractor from developing competing materials outside the Contract, irrespective of any similarity to materials delivered or to be delivered to State hereunder.

3.10. Subcontracts

3.10.1. INITIAL LIST. At the time of the NASPO Master Contract execution, Contractor's candidate Subcontractors were to be identified per Attachment A Paragraph 25 "Assignment/Subcontracts". Agreeing to them being included in the Accepted Offer signified Procurement Officer's advance consent for Contractor to enter into a Subcontract with each candidate, which Contractor shall do as promptly as necessary to ensure its ability to carry out the Work in a timely manner.

3.10.2. ADDITIONAL NAMES. Contractor shall not enter into a Subcontract without first obtaining Procurement Officer's written consent with any prospective Subcontractor that

3.10.1.1. was not identified at the time of the NASPO Master Contract execution or

3.10.1.2. is for any Materials or Services categories other than the ones for which they were previously consented.

3.10.1.3. For either case (3.10.1.1.) or (3.10.1.2.), Contractor shall submit a written request sufficiently in advance of the need date for those materials or services so that performance under the Contract is not impaired. Procurement Officer may request any additional information he or she determines is necessary to assess the submittal, and may withhold consent pending it.

3.10.3. FLOW-DOWN. Contractor shall incorporate the provisions, terms, and conditions of the Contract into every Subcontract by inclusion or by reference, as appropriate. When making any post-execution consent requests, Contractor shall include its warrant that it will do the same for the pending Subcontracts covered by the request. Entering into Subcontracts will not relieve Contractor of any of its obligations or duties under the Contract, including, among other things, the duty to supervise and coordinate the work of Subcontractors. Nothing contained in any Subcontract will create or is to be construed as creating any contractual relationship between State and the Subcontractor.

3.11. Offshore Performance of Certain Work Prohibited

Contractor shall only perform those portions of the Services that directly serve State or its clients and involve access to secure or sensitive data or personal client data within the defined territories of the United States. Unless specifically stated otherwise in the Scope of Work, this paragraph does not apply to indirect or overhead services, redundant back-up services, or services that are incidental to performance under the Contract. This provision applies to work performed by Subcontractors at all tiers.

3.12. Orders

3.12.1. ORDER SUFFICIENCY. The Contract was awarded in accordance with the Arizona Procurement Code; the transactions and procedures required by the code for competitive source selection have been met. An Order issued that cites the correct State contract number will suffice to authorize Contractor to provide the Materials and perform the Services covered by that Order.

3.12.2. ORDER TERMS. All Orders are subject to the Contract Terms and Conditions; an Order cannot modify the Contract Terms and Conditions.

3.12.3. ORDERS ARE OBLIGATORY. Until the expiration or earlier termination of the Contract, State may issue and Contractor shall accept Orders that make proper reference to the Contract and are permissible hereunder,

provided that, Contractor is not obliged to accept any Order that is not consistent with the then-current pricing, lead times, specifications, or payment provisions of the Contract. Contractor shall fulfill and complete any Orders that are begun but not yet completed as of expiration or earlier termination of the Contract unless State instructs otherwise at the time.

3.12.4. SPECIAL CASE. In the special case where both the following conditions are true, Procurement Officer's signature on the Acceptance is Contractor's authorization to perform and therefore no Order is required:



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

- 3.12.4.1. the Contract is identified as being a “single-agency/single-project” contract and
- 3.12.4.2. the Contract was created in The State’s e-Procurement System as something other than a “Master/ Blanket” type.
- 3.12.5. NO MINIMUMS OR COMMITMENTS.
 - 3.12.5.1. Contractor shall not impose any minimum dollar amount, item count, services volume, or services duration on Orders;
 - 3.12.5.2. State makes no commitment of any kind concerning the quantity or monetary value of activity actually initiated or completed during the term of the Contract;
 - 3.12.5.3. Contractor shall only deliver or perform as authorized by Orders; and
 - 3.12.5.4. State is not limited as to the number of Orders it may issue for the Contract.
 - 3.12.5.5. For clarity of intent, the foregoing applies equally whether an Eligible Agency issues the Order or, if applicable, a Co Op Buyer issues it.
- 3.12.6. NON-CONTRACTED MATERIALS OR SERVICES. Any attempt to knowingly represent for sales, marketing, or related purposes that goods or services not specifically awarded are under a State contract is a violation of the Contract and law.

3.13. Provisions for Statewide Contracts:

- Co-Op Usage
- Eligible Agencies
- Quarterly Reporting

- 3.13.1. The Contract is a “statewide” contract for multiple purchases, projects, or assignments, and can be purchased against by some or all Eligible Agencies and any Co-Op Buyers that elect to participate. Even if only one Eligible Agency needs or elects to purchase against the Contract, it is to be construed as being a “statewide” contract hereunder.
- 3.13.2. The Contract is an indefinite delivery, indefinite quantity (ID/IQ) type of contract; it is to be construed as a “delivery order” sub type of ID/IQ contract to the extent the Work is Materials, and a “task order” sub-type to the extent the Work is Services
- 3.13.3. Co-Op Usage
 - 3.13.3.1. Contractor shall verify if an ordering entity is a bona fide Co-Op Buyer before selling Materials to or providing Services for them under the Contract. The current list of Co Op Buyers is available on the State Procurement Office website:
<https://spo.az.gov/procurement-services/cooperative-procurement/state-purchasing-cooperative>
 - 3.13.3.2. Contractor shall sell to Co-Op Buyers at the same price and on the same lead times and other terms and conditions under which it sells to Eligible Agencies, with the sole exception of any legitimately additional costs for extraordinary shipping or delivery requirements if the Co-Op Buyer is having Materials delivered or installed or Services performed at locations not contemplated in the contracted pricing (e.g. delivery to a location outside Arizona).
 - 3.13.3.3. Contractor shall pay State an administrative fee against all Contract sales to Co Op Buyers, as provided for under A.R.S. § 41 2633. The fee rate is one (1%) percent. Failure to remit the administrative fees is a material breach of contract, and will entitle State to its remedies under Article 8 and its right to terminate for default under Article 9. Method of calculation, payment procedures, and other details are provided on the State Procurement Office website:
<https://spo.az.gov/contractor-resources/statewide-contracts-administrative-fee>
 - 3.13.3.4. Contractor shall acknowledge each Order from Co-Op Buyers in conformance with each buyer’s instructions given at the time of ordering or in any supplemental participating agreement Contractor might have with them. Orders from Co-Op Buyers create no obligation on State’s part, since they are

entirely between the Co-Op Buyer and Contractor. That notwithstanding, Contractor’s obligation under the Contract is to service Co-Op Buyers commercially as though they were with an Eligible Agency, and Contractor’s refusal to do so would be a material breach of the Contract.

3.13.4. Eligible Agencies – Orders

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Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

- 3.13.4.1. Contractor shall acknowledge each Order from Eligible Agencies within 1 (one) business day after receipt by either:
- 3.13.4.1.1. "Approving" the Order electronically in The State's e-Procurement System, which will indicate Contractor's unqualified acceptance of the Order as-issued; or,
- 3.13.4.1.2. "Rejecting" the Order electronically in The State's e-Procurement System, with a concurrent explanation by email to relevant originator as to the reason for rejecting it. By way of reminder, the only grounds on which Contractor may reject or refuse an Order are those set out in subparagraph 3.14.3 (Orders are Obligatory).
- 3.13.4.2. Unless and until Contractor has approved the Order in the State's e-Procurement System, it will have no effect under the Contract and will not oblige either State or Contractor. If the relevant Eligible Agency explicitly instructs at the time that a verbal acceptance is sufficient because of urgency or other unusual circumstances and Contractor duly gives its verbal acceptance, then Contractor will be deemed to have accepted the Order immediately upon commencing performance, provided that, Contractor must follow-up its verbal acceptance by accepting the Purchase Order electronically in The State's e-Procurement System within three (3) business days. Contractor shall thereafter be barred from subsequently rejecting the Order in The State's e-Procurement System and if it does so the rejection will be void.

3.13.5. Quarterly Usage Reports

- 3.13.5.1.1. Contractor shall submit to State a Quarterly Usage Report documenting all Contract sales to both Eligible Agencies and Co Op Buyers, itemized separately. A Quarterly Usage Report shall still be submitted, even if there have been no sales to either Eligible Agencies and/or Co-Op Buyers. Contractor shall further itemize divisions, groups or areas within a given Eligible Agency if they place Orders independently of each other. Failure to submit the report is a material breach of contract, and will entitle State to its remedies under Article 8 and its right to terminate for default under Article 9. Contractor shall submit the report using the forms and following the instructions on the State Procurement Office website:

<https://spo.az.gov/contractor-resources/statewide-contracts-administrative-fee>

3.14. Multiple-Use Provisions

- 3.14.1. Eligible Agencies may issue Orders for Services in several forms, all of which become final and effective by a "Release Purchase Order" in The State's e-Procurement System. Orders issued by Co-Op Buyers will be in whatever form the Co-Op Buyer normally uses. Regardless of origin, Orders must cite the State contract number to be valid. State may, at its discretion in each instance, determine the scope, schedule, and price for each Order in any of the following ways:
- 3.14.1.1. By choosing some or all of the Materials or Services items covered by the Contract for which a price is established in the Pricing Document, then preparing an Order using those prices (e.g., filling out an order form), and sending it to Contractor.
- 3.14.1.2. By instructing Contractor to provide a comprehensive proposal of item quantities, combinations, etc., or services hours, personnel, etc., for a defined scope using those established prices as a basis, then validating and negotiating the proposal with Contractor and issuing an Order if and when reaching agreement.
- 3.14.1.3. As described in (3.14.1.2.) above but requesting the proposal from both Contractor and other vendors who are contracted within the applicable scope categories and locations, either sequentially or concurrently, then selecting the proposal or proposals combination that is most advantageous to State.
- 3.14.1.4. As described in (3.14.1.3.) above but introducing ad-hoc commercial competition by making the selection and ordering conditional on obtaining more favorable prices than the contractually-established ones.
- 3.14.2. When evaluating the proposals under (3) and (4) above, State may select based on price (for example, a quoted number of hours times the contracted or improved rate plus a fixed amount for incidentals), by



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

experience and qualifications (for example, having an office nearer the required work location), or whatever combination thereof it determines is most appropriate to the work in question.

3.15. Other Contractors

State may undertake with its own forces or award other contracts to the same or other vendors for additional or related work. In such cases, Contractor shall cooperate fully with State's employees and such other vendors and carefully coordinate, fit, connect, accommodate, adjust, or sequence its work to the related work by others. Where the Contract requires handing-off Contractor's work to others, Contractor shall cooperate as State instructs regarding the necessary transfer of its work product, services, or records to State or the other vendors. Contractor shall not commit or permit any act that interferes with the State's or other vendors' performance of their work, provided that, State shall enforce the foregoing section equitably among all its vendors so as not impose an unreasonable burden on any one of them.

3.16. Work on State Premises

3.16.1. COMPLIANCE WITH RULES. Contractor is responsible for ensuring that its personnel comply with State's rules, regulations, policies, documented practices, and documented operating procedures while delivering or installing Materials or performing Services on State's grounds or in its facilities. For clarity of intent, the foregoing means that if Contractor is required to comply with certain security requirements in order to deliver, install, or perform at that particular location, then it shall do so nonetheless and without entitlement to any additional compensation or additional time for performance if those particular requirements are not expressly stated in the Contract. Contractor is reminded that violation of the prohibition under A.R.S. § 13-1502 against possession of weapons on State's property by anyone for whom Contractor is responsible is a material breach of contract and grounds for termination for default.

3.16.2. PROTECTION OF GROUNDS AND FACILITIES. Contractor shall deliver or install the Materials and perform the Services without damaging any State grounds or facilities. Contractor shall repair or replace any damage it does cause promptly and at its own expense, subject to whatever instructions and restrictions State needs to make to prevent inconvenience or disruption of operations. If Contractor fails to make the necessary repairs or replacements and do so in a timely manner, State will be entitled to exercise its remedies under paragraph 8.5 [Right of Offset] of the Uniform Terms and Conditions.

4. Costs and Payments

4.1. Payments

4.1.1. PAYMENT DEADLINE. State shall make payments in compliance with Arizona Revised Statutes Titles 35 and 41. Unless and then only to the extent expressly stated otherwise in the Pricing Document, State shall make payment in full for Materials that have been delivered and accepted and Services that have been performed and accepted within the time specified in A.R.S. § 35-342 after both of the following become true:

4.1.1.1. all of the Materials being invoiced have been delivered or installed (as applicable) and accepted and all of the Services being invoiced have been performed and accepted; and

4.1.1.2. Contractor has provided a complete and accurate invoice in the form and manner called for in the Pricing Document, provided that, State will not make or be liable for any payments to Contractor until Contractor has registered properly in The State's e-Procurement System and provided a current IRS Form W-9 to State unless excused by law from providing one.

4.1.2. PAYMENTS ONLY TO CONTRACTOR. Unless compelled otherwise by operation of law or order of a court of competent jurisdiction, State will only make payment to Contractor under the federal tax identifier indicated on the Accepted Offer.

4.2. Write-Offs

4.2.1. Any Write-Off Recovery that is sent to U. S. Bank Collection and Recovery Unit and is subsequently fully deducted from any incentive share payment shall be removed from all U.S. Bank Past Due reports.

4.2.2. The Write-Off Recovery should be the total amount due to U.S Bank from the State with regards to Write-Offs. U.S. Bank has no right to recover any additional amounts related to Write-Off Recovery included but not limited to legal fees and/or other expenses incurred in collecting any delinquent amount if the delinquent amount is fully deducted from any incentive share payment.



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

4.3. Applicable Taxes

- 4.3.1. CONTRACTOR TO PAY ALL TAXES. State is subject to Arizona TPT. Therefore, Arizona TPT applies to all sales under the Contract and Arizona TPT is Contractor's responsibility (as seller) to remit. Contractor's failure to collect Arizona TPT or any other applicable sales or use taxes from an Eligible Agency or Co-Op Buyer (as buyer) will not relieve Contractor of any obligation to remit sales or use taxes that are due under the Contract or laws. Unless stated otherwise in the Pricing Document, all prices therein include Arizona TPT as well as every other manner of transaction privilege or sales/use tax that is due to a municipality or another state or its political subdivisions. Contractor shall pay all federal, state, and local taxes applicable to its operations and personnel.
- 4.3.2. TAX INDEMNITY. Contractor shall hold State harmless from any responsibility for taxes or contributions, including any applicable damages and interest, that are due to federal, state, and local authorities with respect to the Work and the Contract, as well any related costs; the foregoing expressly includes Arizona TPT, unemployment compensation insurance, social security, and workers' compensation insurance.

5. Contract Changes

5.1. Contract Amendments

The Contract is issued for State under the authority of Procurement Officer. Only a Contract Amendment can modify the Contract, and then only if it does not change the Contract's general scope. Purported changes to the Contract by a person not expressly authorized by Procurement Officer or made unilaterally by Contractor will be void and without effect; Contractor will not be entitled to any claim made under the Contract based on any such purported changes.

5.2. Assignment and Delegation

- 5.2.1. IN WHOLE. Contractor shall not assign in whole its rights or delegate in whole its duties under the Contract without Procurement Officer's prior written consent, which consent Procurement Officer may withhold at his or her discretion. If Contractor's proposed assignment or delegation stems from a split, sale, acquisition, or other non-merger change in control, then no such consent will be given in any event without the assignee or delegate giving State satisfactory and equivalent evidence or assurance of its financial soundness, competency, capacity, and qualification to perform as that which Contractor possessed when State first awarded it the Contract.
- 5.2.2. IN PART. Subject to paragraph 3.10 [Subcontracts] with respect to subcontracting, Contractor may assign particular rights or delegate particular duties under the Contract, but shall obtain Procurement Officer's written consent before doing so. Procurement Officer shall not unreasonably withhold consent so long as the proposed assignment or delegation does not attempt to modify the Contract in any way or to alter or impair State's rights or remedies under the Contract or laws.

6. Risk and Liability

6.1. Risk of Loss

Contractor shall bear all risk of loss to Materials while in pre-production, production, storage, transit, staging, assembly, installation, testing, and commissioning, if and as those duties are within the scope of the Work, until they have been accepted as conforming by State in the particular location and situation specified in the Order, or as specified generally elsewhere in the Contract if the Order does not provide particulars, provided that, risk of loss for nonconforming Materials will remain with Contractor notwithstanding acceptance to the extent the loss stems from the nonconformance.

6.2. Contractor Insurance

- 6.2.1. Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.
- 6.2.2. The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage personal injury and broad form contractual liability coverage

General Aggregate	\$2,000,000
Products – Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Damage to Rented Premises	\$ 50,000
Each Occurrence	\$1,000,000

- a. The policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	\$1,000,000
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- a. Policy shall be endorsed, as required by this written agreement, to include the State of Arizona, and its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor, involving automobiles owned, leased, hired and/or non-owned by the Contractor.
- b. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

3. Worker's Compensation and Employers' Liability

Workers' Compensation.....	Statutory
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

- b. This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. 23-901, and when such contractor or subcontractor executes the appropriate waiver form (Sole Proprietor/Independent Contractor).

ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

1. The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 E
2. Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

NOTICE OF CANCELLATION: Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the State of Arizona. Within two (2) business days of receipt, Contractor must provide notice to the State of Arizona if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Department and shall be mailed, emailed, hand delivered or sent by facsimile transmission to State Procurement Office.

ACCEPTABILITY OF INSURERS: Contractor's Insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (valid ACORD form or equivalent approved by the State of Arizona) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

All such certificates of insurance and policy endorsements must be received by the State before work commences. The State's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.

Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All such certificates required by this Contract shall be sent directly to the Arizona State Procurement Office. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

SUBCONTRACTORS: Contractors' certificate(s) shall include all subcontractors as insured under its policies or Contractor shall be responsible for ensuring and/or verifying that all subcontractors have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum Insurance Requirements identified above. The Department reserves the right to require, at any time throughout the life of this contract, proof from the Contractor that its subcontractors have the required coverage.

APPROVAL and MODIFICATIONS: The Contracting Agency, in consultation with State Risk, reserves the right to review or make modifications to the insurance limits, required coverage's, or endorsements



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

throughout the life of this contract, as deemed necessary. Such action will not require a formal Contract amendment but may be made by administrative action.

EXCEPTIONS: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of self-insurance. If the Contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

6.3. Indemnification

- 6.3.1. To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the State of Arizona. This indemnification will survive the termination of the above listed contract with the Contractor.
- 6.3.2. This indemnity shall not apply if the Contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.

6.4. Patent and Copyright Indemnification

- 6.4.1. CONTRACTOR/VENDOR (NOT PUBLIC AGENCY). With respect to Materials or Services provided or proposed by a Contractor Indemnitor for performance under the Contract, Contractor shall indemnify, defend and hold harmless State Indemnitees against any third-party claims for liability, costs, and expenses, including, but not limited to reasonable attorneys' fees, for infringement or violation of any patent, trademark, copyright, or trade secret by the Materials and the Services. With respect to the defense and payment of claims under this subparagraph:
- 6.4.1.1. State shall provide reasonable and timely notification to Contractor of any claim for which Contractor may be liable under this paragraph;
- 6.4.1.2. Contractor, with reasonable consultation from State, shall have control of the defense of any action on an indemnified claim including all negotiations for its settlement or compromise;
- 6.4.1.3. State may elect to participate in such action at its own expense; and
- 6.4.1.4. State may approve or disapprove any settlement or compromise, provided that, (i) State shall not unreasonably withhold or delay such approval or disapproval and (ii) State shall cooperate in the defense and in any related settlement negotiations.
- 6.4.2. If Contractor is a public agency, this paragraph 6.4 does not apply.

6.5. Force Majeure

- 6.5.1. DEFINITION. For this paragraph, "force majeure" means an occurrence that is (a) beyond the control of the affected party, (b) occurred without the party's fault or negligence, and (c) something the party was unable to prevent by exercising reasonable diligence. Without limiting the generality of the foregoing, force majeure expressly includes acts of God, acts of the public enemy, war, riots, strikes, mobilization, labor disputes, civil disorders, fire, flood, lockouts,



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

injunctions-intervention-acts, failures or refusals to act by government authorities, and, subject to paragraph 7.66 [Performance in Public Health Emergency], declared public health emergencies. Force majeure expressly does not include late delivery caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, late performance by a Subcontractor unless the delay arises out of an occurrence of force majeure, or inability of either Contractor or any Subcontractor to acquire or maintain any required insurance, bonds, licenses, or permits.

- 6.5.2. RELIEF FROM PERFORMANCE. Except for payment of sums due, the parties are not liable to each other if an occurrence of force majeure prevents its performance under the Contract. If either party is delayed at any time in the progress of their respective performance under the Contract by an occurrence of force majeure, the delayed party shall notify the other no later than the following working day after the occurrence, or as soon as it could reasonably have been expected to recognize that the occurrence had effect in cases where the effects were not readily apparent. In any event, the notice must make specific reference to this paragraph specifying the causes of the delay in the notice and, if the effects of the occurrence are on-going, provide an initial notification and thereafter the delayed party shall provide regular updates until such time as the effects are fully known. To the extent it is able, the delayed party shall cause the delay to cease promptly and notify the other party when it has done so. The parties shall extend the time of completion by Contract Amendment for a period equal to the time that the results or effects of the delay prevented the delayed party from performing.
- 6.5.3. EXCUSABLE DELAY IS NOT DEFAULT. Failure in performance by either party will not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if and to the extent that such failure was or is being caused by an occurrence of force majeure.
- 6.5.4. DEFAULT DIMINISHES RELIEF. Entitlement to relief from the effects of an occurrence of force majeure is diminished to the extent that the delay did or will result from the affected party's default unrelated to the occurrence, in which case and to that extent the other party's normal remedies and the affected party's obligations would apply undiminished.

6.6. Third Party Antitrust Violations

Contractor assigns to State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to Contractor toward fulfillment of the Contract.

7. Warranties

7.1. Conformity to Requirements

- 7.1.1. Contractor warrants that, unless expressly provided otherwise elsewhere in the Contract, the Materials and Services will for 1 (one) year after acceptance and in each instance:
- 7.1.1.1. conform to the requirements of the Contract, which by way of reminder include without limitation all descriptions, specifications, and drawings identified in the Scope of Work and any Contractor affirmations included as part of the Contract;
 - 7.1.1.2. be free from defects of material and workmanship;
 - 7.1.1.3. conform to or perform in a manner consistent with current industry standards; and
 - 7.1.1.4. be fit for the intended purpose or use described in the Contract.
- 7.1.2. Mere delivery or performance does not substitute for express acceptance by State. Where inspection, testing, or other acceptance assessment of Materials or Services cannot be done until after installation, the forgoing warranty will not begin until State's acceptance.

7.2. Contractor Personnel

Contractor warrants that its personnel will perform their duties under the Contract in a professional manner, applying the requisite skills and knowledge, consistent with industry standards, and in accordance with the requirements of the Contract. Contractor further warrants that its key personnel will maintain any certifications relevant to their work, and Contractor shall provide individual evidence of certification to State's authorized representatives upon request.



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

7.3. Intellectual Property

Contractor warrants that the Materials and Services do not and will not infringe or violate any patent, trademark, copyright, trade secret, or other intellectual property rights or laws, except only to the extent the Specifications do not permit use of any other product and Contractor is not and cannot reasonably be expected to be aware of the infringement or violation.

7.4. Licenses and Permits

Contractor warrants that it will maintain all licenses required under paragraph 3.7 [*Contractor Licenses*] and all required permits valid and in force.

7.5. Operational Continuity

Contractor warrants that it will perform without relief notwithstanding being sold or acquired; no such

event will operate to mitigate or alter any of Contractor's duties hereunder absent a consented delegation under paragraph 5.2 [*Assignment and Delegation*] that expressly recognizes the event.

7.6. Performance in Public Health Emergency

7.6.1. Contractor warrants that it will:

7.6.1.1. have in effect promptly after commencement a plan for continuing performance in the event of a declared public health emergency that addresses, at a minimum:

7.6.1.1.1. identification of response personnel by name;

7.6.1.1.2. key succession and performance responses in the event of sudden and significant decrease in workforce; and

7.6.1.1.3. alternative avenues to keep sufficient product on hand or in the supply chain; and

7.6.1.1.4. provide a copy of its current plan to State within 3 (three) business days after State's written request. If Contractor claims relief under paragraph 6.5 [Force Majeure] for an occurrence of force majeure that is a declared public health emergency, then that relief will be conditioned on Contractor having first implemented its plan and exhausted all reasonable opportunity for that plan implementation to overcome the effects of that occurrence, or mitigate those effects to the extent that overcoming entirely is not practicable.

7.6.2. For clarification of intent, being obliged to implement the plan is not of itself an occurrence of force majeure, and Contractor will not be entitled to any additional compensation or extension of time by virtue of having to implement it. Furthermore, failure to have or implement an appropriate plan will be a material breach of contract.

7.7. Lobbying

7.7.1. PROHIBITION.

7.7.1.1. Contractor warrants that:

7.7.1.1.1. it will not engage in lobbying activities, as defined in 40 CFR part 34 and A.R.S. § 41-1231, et seq., using monies awarded under the Contract, provided that, the foregoing does not intend to constrain Contractor's use of its own monies or property, including without limitation any net proceeds duly realized under the Contract or any value thereafter derived from those proceeds; and

7.7.1.1.2. upon award of the Contract, it will disclose all lobbying activities to State to the extent they are an actual or potential conflict of interest or where such activities could create an appearance of impropriety.

7.7.1.2. Contractor shall implement and maintain adequate controls to assure compliance with (a) above.

7.7.1.3. Contractor shall obtain an equivalent warranty from all Subcontractors and shall include an equivalent no-lobbying provision in all Subcontracts.

7.7.2. EXCEPTION. This paragraph does not apply to the extent that the Services are defined in the Contract as being lobbying for State's benefit or on State's behalf.



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

7.8. Survival of Warranties

All representations and warrants made by Contractor under the Contract will survive the expiration or earlier termination of the Contract.

8.0 State's Contractual Remedies

No modifications to uniform terms and conditions section

9.0 Contract Termination

No modifications to uniform terms and conditions section

10.0 Contract Claims

10.1 Claim Resolution

Notwithstanding any law to the contrary, all contract claims or controversies under the Contract are to be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9, and rules adopted thereunder, including judicial review under A.R.S. § 12-1518.

10.2 Mandatory Arbitration

In compliance with A.R.S. § 12-1518, the parties agree to comply in a judicial review proceeding with any applicable, mandatory arbitration requirements.

11. General Provisions for Materials

11.1. Applicability

Article 11 applies to the extent the Work is or includes Materials.

11.2. Off-Contract Materials

Contractor shall ensure that the design and/or procedures for the Materials ordering method prevents Orders for off-contract items or excluded items. Notwithstanding that State might have its own internal administrative rules regarding off-contract or excluded item ordering, and endeavors to prevent such orders from occurring, Contractor is responsible for not accepting any such Orders, State may, at its discretion, return any such items under subparagraph 11.17 or cancel any such Order under subparagraph 11.18, neither case being without obligation and at Contractor's expense. As used above, "off-contract item" refers to any product not included in the scope of the Contract and for which no price or compensation has been established contractually, and "excluded item" refers to any product expressly stated in the Contract as being excluded from the Contract.

11.3. Compensation for Late Deliveries

Contractor shall have clear, published policies in place regarding late delivery, order cancelation, discounts, or rebates given to compensate for late deliveries, etc., and make them readily available to those Eligible Agencies, and Co-Op Buyers if applicable, that are likely to need them.

11.4. Indicate Shipping Costs on Order

Contractor shall identify and provide the required substantiating documentation for the amount it intends to add for shipping in the Order acknowledgment if shipping is additional to the contracted price or rate for an item; otherwise, Contractor shall indicate that shipping is included in the Order price (in other words, every Order must indicate clearly whether or not shipping is included in the Order price, and if not included, how much is to be added and why that amount is the correct or appropriate one)

11.5. Current Products

Contractor shall keep all products being offered under the Contract: (a) in current and ongoing production; (b) in its advertised product lines; (c) as models or types that are actively functioning in other paying customer environments; and (d) in conformance to the requirements of the Contract

11.6. Maintain Comprehensive Selection

Contractor shall provide at all times the comprehensive selection of products for which a price is established in the Commercial Document for ordering by Eligible Agencies, and Co-Op Buyers if applicable.

11.7. Additional Products

11.7.1. State, at its discretion, may modify the scope of the Contract by Contract Amendment to include additional products or product categories so long as they are within the general scope of the ones originally covered by the Contract. Once the Contract Amendment has been fully executed,



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

Contractor shall then update all applicable catalogs and price lists and make them available to all affected entities at no additional cost. Either party may make the request to add products to the Contract; regardless of who makes the request, the parties shall negotiate in good faith a fair price for any additional products, but State may elect not to add some or all of the products in question if no agreement is reached on pricing in a timely manner. Contractor's request or proposal in response to State's request must include:

11.7.1.1. documentation demonstrating that the additional products meet or exceed the specifications for the original products while remaining in the same product groups as the original ones; and

11.7.1.2. documentation demonstrating that the proposed price for the additional products is both

fair and reasonable and at the same level of discount relative to market price as were the original ones. Demonstration of this typically requires showing how prices at which sales are currently or were last made to a significant number of buyers compare to the prices or discounts (as applicable) being proposed for the additional products

11.8. Discounted products

11.8.1. If a product or groups of products covered by the Contract are discontinued by the manufacturer, Contractor shall notify State within 5 (five) business days after receiving the manufacturer's notification. State, at its discretion, will either allow Contractor to provide substitutes for the discontinued products or delete the products from the scope of the Contract, both of which will be accomplished by Contract Amendment. Contractor shall then update all applicable catalogs and price lists and make them available to all affected entities at no additional cost. The parties shall negotiate in good faith a fair price for any substitute product, but State may elect to delete the products from the scope of the Contract if no agreement is reached on substitute pricing in a timely manner. When notifying State of the discontinuance, Contractor shall provide:

11.8.1.1. manufacturer's announcement or documentation stating that the products have been discontinued, with identification by model/part number;

11.8.1.2. documentation demonstrating that the substitute products meet or exceed the specifications for the discontinued products while remaining in the same product groups as were the discontinued ones; and

11.8.1.3. documentation demonstrating that the proposed price for the substitute products is both fair and reasonable and at the same level of discount relative to market price as were the discontinued ones.

11.9. Forced Substitutes

Forced substitutions will not be permitted; Contractor shall obtain State's prior written consent before making any discretionary substitution for any product covered by the Contract.

11.10. Recalls

In the event of a recall notice, technical service bulletin, or other important notification affecting a product offered under the Contract (collectively, "recalls" hereinafter), Contractor shall send timely notice to State for each applicable Order referencing the affected Order and product. Notwithstanding whatever protection Contractor might have under A.R.S. § 12-684 with respect to a manufacturer, Contractor shall handle recalls entirely and without obligation on State's part, other than to permit removal of installed products, retrieval of stored products, etc., as necessary to implement the recall

11.11. Delivery

1.11.1. **PRICING.** Unless stated otherwise in the Commercial Document, all Materials prices set forth therein are FCA (seller's dock) Incoterms®2010, with "seller's dock" meaning the last place of manufacturing, assembly, integration, final packing, or warehousing before departure to designated point of delivery to State. For reference, the foregoing is to be construed as equivalent to "F.o.b. Origin, Contractor's Facility" under [FAR 52.247-30](#)

AVAILABLE ONLINE AT [APPSTATE.AZ.GOV](#)



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

1.11.2. **LIABILITY.** Unless stated otherwise in the Commercial Document or an Order, Contractor's liability for all Materials is DDP (State-designated receiving point per Order) Incoterms®2010, but with unloading at destination included. For reference, the foregoing is to be construed as equivalent to "F.o.b. Destination, Within Consignee's Premises" under [FAR 52.247-35](#).

1.11.3. **PAYMENT.** Unless stated otherwise in the Commercial Document or an Order, State shall reimburse Contractor the costs of the difference between DDP (State-designated receiving point per Order) and FCA (seller's dock) with no mark-up, which Contractor shall itemize and invoice separately

11.12. Delivery Time

Unless stated otherwise in the Commercial Document generally or in the applicable Order particularly, Contractor shall make delivery within 2 (two) business days after receiving each Order

11.13. Delivery Locations

11.13.1. Contractor shall offer deliveries to every location served under the scope of the Contract, specifically

11.13.1.1. if the Contract is for a single State agency in a single area, then Contractor shall deliver to any agency location in that area;

11.13.1.2. if the Contract is for a single State agency in all its locations, then Contractor shall deliver to any of that agency's location in Arizona;

11.13.1.3. if the Contract is for statewide use but excludes certain areas, then Contractor shall deliver to any Eligible Agency or Co-Op Buyer location that is not in the excluded areas; and

11.13.1.4. if the Contract is for unrestricted statewide use, then:

11.13.1.4.1. Contractor shall deliver to any Eligible Agency or Co-Op Buyer anywhere in Arizona;

11.13.1.4.2. If a prospective Co-Op Buyer outside Arizona wishes to order against the Contract, Contractor agrees to negotiate in good faith any fair and reasonable price or lead time adjustments necessary to serve that location if practicable to do so within the scope of its normal business; and,

11.13.1.4.3. if the Commercial Document indicates defined delivery areas and prices, those always apply unless the Order expressly states otherwise and Contractor accepts it.

11.14. Conditions at Delivery Location

Contractor shall verify receiving hours and conditions (i.e. height/weight restrictions, access control, etc.) with the relevant purchaser for the receiving site before scheduling or making a delivery. State will neither allow extra charges for wait time, comebacks, or the like nor excuse late delivery if Contractor has failed to make the verification or comply with the applicable conditions. Contractor shall make each delivery to the specific location indicated in the Order, which Contractor acknowledges might be inside an industrial building, institutional building, low-rise office building, or high-rise office building instead of a normal receiving dock. Contractor might be required to make deliveries to locations inside a secured perimeter at certain institutional facilities such as prisons where prior clearances are required for each delivery and driver individually. Contractor shall contact each such facility directly to confirm its most-current security clearance procedures, allowable hours for deliveries, visitor dress code, and other applicable rules. State will neither allow extra charges for wait time, comebacks, or the like nor excuse late delivery if Contractor has failed to make the confirmation or comply with the applicable conditions

11.15. Materials Acceptance

State has the right to make acceptance of Materials subject to a complete inspection on delivery and installation, if installation is Contractor's responsibility. State may apply as acceptance criteria conformity to the Contract, workmanship and quality, correctness of constituent materials, and any

AVAILABLE ONLINE AT [APPSTATE.AZ.GOV](#)



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

other matter for which the Contract or applicable laws state a requirement, whether stated directly or by reference to another document, standard, reference specification, etc. Contractor shall remove any rejected Materials from the delivery location, or from any immediate environs to which it might have been reasonably necessary to move it, carry it off the delivery premises, and subsequently deliver an equal number or quantity of conforming items. State will not owe Contractor any payment for rejected Materials, and State may, at its discretion, withhold or make partial payment for any rejected Materials that have been returned to Contractor in those instances where State has agreed to permit repair instead of demanding replacement.

11.16. Correcting Defects

11.16.1. Contractor shall, at no additional cost and without entitlement to extension of any delivery deadline or specified time for performance, remove or exchange and replace any defective or non-conforming delivered or installed Materials.

11.16.1.1. Contractor shall be solely responsible for the cost of any associated cutting and patching, temporary protection measures, packing and crating, hoisting and loading, transportation, unpacking, inspection, repacking, reshipping, and reinstallation if

installation is within the scope of the Contract.

11.16.1.2. If Contractor fails to do so in a timely manner, State will be entitled to exercise its remedies under paragraph 8.5 [Right of Offset] of the Uniform Terms and Conditions.

11.16.1.2.1. Whether State will permit Contractor to repair in place or demands that Contractor remove and replace is at State's discretion in each instance, provided that, State shall not apply that discretion punitively if repair in place is practicable and doing so would not create safety hazards, put property at risk, unreasonably interfere with operations, create public nuisance, or give rise to any other reasonable concern on State's part.

11.17. Returns

State may, at its discretion, return for full credit and with no restocking charges any delivered Materials unused in the original packaging, including any instruction manuals or other incidental item that accompanied the original shipment, within thirty (30) days after receipt. If State elects to return delivered Materials, then State shall pay all freight, delivery, and transit insurance costs to return the products to the place from which Contractor shipped them, provided that, if State returns delivered Materials because they are defective or non-conforming or for any other reason having to do with Contractor fault or error, then State will not be responsible for paying freight, delivery, or transit insurance costs to return the products and may, at its discretion, either have those billed directly to Contractor or offset them under paragraph 8.5 [*Right of Offset*] of the Uniform Terms and Conditions.

11.18. Order Cancellations

11.18.1. State may cancel orders within a reasonable period after issuance and at its discretion. The same method as that used for ordering will be used for cancellation. If State cancels an Order, then State shall:

11.18.1.1. pay Contractor for any portion of the Materials and Services from that Order that have been properly delivered or performed as of the cancellation effective date plus one (1) additional business day

11.18.1.2. reimburse Contractor for:

11.18.1.2.1. its actual, documented costs incurred in fulfilling the Order up to the cancellation effective date plus one (1) additional business day;

11.18.1.2.2. the cost of any obligations it incurred in fulfilling the Order up to the cancellation effective date plus one (1) additional business day that demonstrably cannot be canceled, or that have pre-established



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Description: Commercial Card Solutions

Contractor: U.S. Bank National Association

cancellation penalties specified in the relevant Subcontracts, to the extent the penalties are reasonable and customary for the work in question;

11.18.1.3. Contractor shall not charge or be entitled to charge State for any new costs it incurs after receiving the cancellation notice.

11.18.2. By way of reminder, State is not liable for any products that were produced, shipped, or delivered or any services that were performed before Contractor had acknowledged the corresponding Order

11.19. Product Safety

Materials as-shipped must comply with applicable safety regulations and standards. Unless expressly stated otherwise in the Scope of Work, State is not responsible for making any Materials safe or compliant following acceptance and is relying exclusively on Contractor to deliver only products that are already safe and compliant.

11.20. Hazardous Materials

11.20.1. Contractor shall timely provide State with any "Safety Data Sheets" (SDS) and any other hazard communication documentation required under the US Department of Labor's Occupational Safety and Health Administration (OSHA) "Hazard Communication Standard" (often referred to as the

"HazCom 2012 Final Rule") that is reasonably necessary for State to comply with regulations when it or its other contractors install, handle, operate, repair, maintain or remove any Materials. Note that, in the past, those documents might have been referred to as "Material Safety Data Sheets" or "Product Safety Data Sheets", but State (and this Contract) use only the more up-to-date "SDS" reference. Contractor shall ensure that all its relevant personnel understand the nature of and hazards associated with, to the extent it they are Contractor's responsibility under the Contract, the design, shipping, handling, delivery, installation, repair and maintenance of any portion of the Work that is, contains or will become upon use a hazardous material, with "hazardous material" being any material or substance that is:

11.20.1.1. identified now or in the future as being hazardous, toxic or dangerous under applicable laws; or

11.20.1.2. subject to statutory or regulatory requirement governing special handling, disposal or cleanup

12. General Provisions for Services

12.1. Applicability

Article 12 applies to the extent the Work is or includes Services.

12.2. Comprehensive Services Offering

Contractor shall provide the comprehensive range of services for which a price is established in the Pricing Document for ordering by Eligible Agencies, and Co-Op Buyers if co-op buying applies.

12.3. Additional Services

State at its discretion may modify the scope of the Contract by Contract Amendment to include additional services or service categories that are within the general scope of the ones originally covered by the Contract if it determines that doing so is in its best interest. Once the Contract Amendment is fully executed, Contractor shall then update all applicable price lists and make them available to all affected entities at no additional cost. Either party may make the request to add services to the Contract; regardless of who makes the request, the parties shall negotiate in good faith a fair price for any additional services, but State may elect not to add some or all of the services in question if no agreement is reached on pricing in a timely manner. Contractor's request or proposal in response to State's request must include documentation demonstrating that the proposed price for the additional services is both fair and reasonable and comparable to the original ones.



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

12.4. Off-Contract Services

Contractor shall ensure that the design and/or procedures for the Services ordering method prevents Orders for off-contract or excluded services. Notwithstanding that State might have its own internal administrative rules regarding off contract or excluded service ordering, and endeavors to prevent such orders from occurring, Contractor is responsible for not accepting any such Orders. State may, at its discretion, cancel any such Order without obligation. As used above, "off-contract service" refers to any service not included in the scope of the Contract and for which no price or compensation has been established contractually, and "excluded service" refers to any service expressly excluded from the scope of the Contract.

12.5. Removal of Personnel

Notwithstanding that Contractor is in every circumstance responsible for hiring, assigning, directing, managing, training, disciplining, and rewarding its personnel, State may at its discretion and without the obligation to demonstrate cause instruct Contractor to remove any of its personnel from State's facilities or from further assignment under the Contract. In such cases, Contractor shall promptly replace them with other personnel having equivalent qualifications, experience, and capabilities.

12.6. Transitions

During commencement, Contractor shall attend transition meetings with any outgoing vendors to coordinate and ease the transition so that the effect on State's operations is kept to a minimum. State may elect to have outgoing vendors complete some or all of their work or orders in progress to ease the transition as is safest and most efficient in each instance, even if that scope is covered under the

Contract. Conversely, State anticipates having a continued need for the same materials and services upon expiration or earlier termination of the Contract. Accordingly, Contractor shall work closely with any new (incoming) vendor and State to ensure as smooth and complete a transfer as is practicable. State's representative shall coordinate all transition activities and facilitate joint development of a comprehensive transition plan by both Contractor and the incoming vendor. As with the incoming transition, State may permit Contractor (outgoing) to complete work or orders in progress to ease the transition as is safest and most efficient in each instance.

12.7. Accuracy of Work

Contractor is responsible for the accuracy of the Services, and shall promptly make all necessary revisions or corrections resulting from errors and omissions on its part without additional compensation. Acceptance by State will not relieve Contractor of responsibility for correction of any errors discovered subsequently or necessary clarification of any ambiguities.

12.8. Requirements at Services Location

Contractor personnel shall perform their assigned portions of the Services at the specific location indicated in the Order (if applicable). Contractor acknowledges that the location might be inside an industrial building, institutional building, or one of various office types and classes. Additionally, if performing the Services requires Contractor personnel to work inside a secured perimeter at certain institutional facilities such as prisons where prior clearances are required, Contractor shall contact the facility directly to confirm its most-current security clearance procedures, allowable hours for work, visitor dress code, and other applicable rules. State will neither allow extra charges for wait time, comebacks, or the like nor excuse late performance if Contractor has failed to make the confirmation or comply with the applicable conditions.

12.9. Services Acceptance

State has the right to make acceptance of Services subject to acceptance criteria. State may apply as acceptance criteria conformity to the Contract, accuracy, completeness, or other indicators of quality or other matter for which the Contract or law states a requirement, whether stated directly or by reference to another document, standard, reference specification, etc. State will not owe Contractor any payment for un-accepted Services; and State may, at its discretion, withhold or make partial payment for any rejected Services if Contractor is still in the process of re-performing or otherwise curing the grounds for State's rejection.



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

12.10. Corrective Action Required

12.10.1. Notwithstanding any other guarantees, general warranties, or particular warranties Contractor has given under the Contract, if Contractor fails to perform any material portion of the Services, including failing to complete any contractual deliverable, or if its performance fails to meet agreed-upon service levels or service standards set out in or referred to in the Contract, then Contractor shall perform a root-cause analysis to identify the source of the failure and use all commercially reasonable efforts to correct the failure and meet the Contract requirements as promptly as is practicable.

12.10.1.1. Contractor shall provide to State a report detailing the identified cause and setting out its detailed corrective action plan promptly after the date the failure occurred (or the date when the failure first became apparent, if it was not apparent immediately after occurrence).

12.10.1.2. State may demand to review and approve Contractor's analysis and plans, and Contractor shall make any corrections State instructs and adopt State's recommendations so far as is commercially practicable, provided that State may insist on any measures it determines within reason to be necessary for safety or protecting property and the environment.

12.10.1.3. Contractor shall take the necessary action to avoid any like failure in the future, if doing so is appropriate and practicable under the circumstances.

13.0 Data and Information Handling

13.1 Applicability

13.1.1. Article 13 applies to the extent the Work includes handling of any:

13.1.1.1. State's proprietary and sensitive data or

13.1.1.2. confidential or access-restricted information obtained from State or from others at State's behest.

13.2 Data Protection and Confidentiality of Information

13.2.1. Contractor warrants that it will establish and maintain procedures and controls acceptable to State for ensuring that State's proprietary and sensitive data is protected from unauthorized access and information obtained from State or others in performance of its contractual duties is not mishandled, misused, or inappropriately released or disclosed. For purposes of this paragraph, all data created by Contractor in any way related to the Contract, provided to Contractor by State, or prepared by others for State are proprietary to State, and all information by those same avenues is State's confidential information. To comply with the foregoing warrant:

13.2.1.1. Contractor shall:

13.2.1.1.1. notify State immediately of any unauthorized access or inappropriate disclosures, whether stemming from an external security breach, internal breach, system failure, or procedural lapse;

13.2.1.1.2. cooperate with State to identify the source or cause of and respond to each unauthorized access or inappropriate disclosure; and

13.2.1.1.3. notify State promptly of any security threat that could result in unauthorized access or inappropriate disclosures; and

13.2.1.2. Contractor shall not:

13.2.1.2.1. release any such data or allow it to be released or divulge any such information to anyone other than its employees or officers as needed for each person's individual performance of his or her duties under the Contract, unless State has agreed otherwise in advance and in writing; or



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

13.2.1.2.2. respond to any requests it receives from a third party for such data or information, and instead route all such requests to State's designated representative.

13.3 Personally Identifiable Information.

13.3.1. Without limiting the generality of paragraph 13.2, Contractor warrants that it will protect any personally identifiable information ("PII") belonging to State's employees' or other contractors or members of the general public that it receives from State or otherwise acquires in its performance under the Contract. For purposes of this paragraph:

13.3.1.1. PII has the meaning given in the [federal] Office of Management and Budget (OMB) Memorandum M-17-12 Preparing for and Responding to a Breach of Personally Identifiable Information", January 3, 2017; and

13.3.1.2. "protect" means taking measures to safeguard personally identifiable information and prevent its breach that are functionally equivalent to those called for in that OMB memorandum and elaborated on in the [federal] General Services Administration (GSA) *Directive CIO P 2180.1 GSA Rules of Behavior for Handling Personally Identifiable Information*.

NOTE (1): For convenience of reference only, the OMB memorandum is available at:

<https://dpcl.d.defense.gov/Privacy/Authorities-and-Guidance/>

NOTE (2): For convenience of reference only, the GSA directive is available at:

<http://www.gsa.gov/portal/directive/d0/content/658222>

13.4 Protected Health Information

13.4.1. Contractor warrants that, to the extent performance under the Contract involves individually identifiable health information (referred to hereinafter as protected health information ("PHI") and electronic PHI ("ePHI") as defined in the Privacy Rule referred to below), it:

13.4.1.1. is familiar with and will comply with the applicable aspects of the following collective regulatory requirements regarding patient information privacy protection:

13.4.1.1.1. the "Privacy Rule" in CFR 45 Part 160 and Part 164 pursuant to the Health Insurance Portability and Accountability Act ("HIPAA") of 1996;

13.4.1.1.2. Arizona laws, rules, and regulations applicable to PHI/ePHI that are not preempted by CFR 45-160(B) or the Employee Retirement Income Security Act of 1974 ("ERISA") as amended; and

13.4.1.1.3. State's current and published PHI/ePHI privacy and security policies and procedures;

13.4.1.2. will cooperate with State in the course of performing under the Contract so that both State and Contractor stay in compliance with the requirements in (13.4.1.1.) above; and

13.4.1.3. will sign any documents that are reasonably necessary to keep both State and Contractor in compliance with the requirements in (13.4.1.1.) above, in particular "Business Associate Agreements" in accordance with the Privacy Rule.

NOTE: For convenience of reference only, the Privacy Rule is available at:

<http://www.hhs.gov/hipaa/for-professionals/privacy/index.html>

13.5 PCI Compliance

Contractor is responsible for all Payment Card Industry Data Security Standards (PCI DSS) compliance.



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

14.0 Information Technology Work

14.1 Applicability

Article 14 applies to any Invitation for Bids, Request for Proposals, or Request for Quotations for "Information Technology," as defined in A.R.S. § 41-3501(6) 6: "... computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, vendor support and related services, equipment and projects" if and to the extent that the Work is or includes Information Technology.

14.2 Background Checks

Each of Contractor's personnel who is an applicant for an information technology position must undergo the security clearance and background check procedure, which includes fingerprinting, as required by A.R.S. § 41-710. Contractor shall obtain and pay for the security clearance and background check. Contractor personnel who will have administrator privileges on a State network must additionally provide identify and address verification and undergo State-specified training for unescorted access, confidentiality, privacy, and data security.

14.3 Information Access

- 14.3.1. **SYSTEM MEASURES.** Contractor shall employ appropriate system management and maintenance, fraud prevention and detection, and encryption application and tools to any systems or networks containing or transmitting State's proprietary data or confidential information.
- 14.3.2. **INDIVIDUAL MEASURES.** Contractor personnel shall comply with applicable State policies and procedures regarding data access, privacy, and security, including prohibitions on remote access and obtaining and maintaining access IDs and passwords. Contractor is responsible to State for ensuring that any State access IDs and passwords are used only by the person to whom they were issued. Contractor shall ensure that personnel are only provided the minimum only such level of access necessary to perform his or duties. Contractor shall on request provide a current register of the access IDs and passwords and corresponding access levels currently assigned to its personnel.
- 14.3.3. **ACCESS CONTROL.** Contractor is responsible to State for ensuring that hardware, software, data, information, and that has been provided by State or belongs to or is in the custody of State and is accessed or accessible by Contractor personnel is only used in connection with carrying out the Work, and is never commercially exploited in any manner whatsoever not expressly permitted under the Contract. State may restrict access by Contractor personnel, or instruct Contractor to restrict access their access, if in its determination the requirements of this subparagraph are not being met.

14.4 Pass-Through Indemnity

- 14.4.1. **INDEMNITY FROM THIRD PARTY.** For computer hardware or software included in the Work as discrete units that were manufactured or developed solely by a third party, Contractor may satisfy its indemnification obligations under the Contract by, to the extent permissible by law, passing through to State such indemnity as it receives from the third-party source (each a "Pass-Through Indemnity") and cooperating with State in enforcing that indemnity. If the third party fails to honor its Pass-Through Indemnity, or if a Pass-Through Indemnity is insufficient to indemnify State Indemnitees to the extent and degree Contractor is required to do by the Uniform Terms and Conditions, then Contractor shall indemnify, defend and hold harmless State Indemnitees to the extent the Pass-Through Indemnity does not.
- 14.4.2. **NOTIFY OF CLAIMS.** State shall notify Contractor promptly of any claim to which a Pass-Through Indemnity might apply. Contractor, with reasonable consultation from State, shall control of the defense of any action on any claim to which a Pass-Through Indemnity applies, including negotiations for settlement or compromise, provided that:
- 14.4.2.1. State reserves the right to elect to participate in the action at its own expense;



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

- 14.4.2.2. State reserves the right to approve or reject any settlement or compromise on reasonable grounds and if done so timely; and
- 14.4.2.3. State shall in any case cooperate in the defense and any related settlement negotiations.

14.5 Systems and Controls

In consideration for State having agreed to permit Pass-Through Indemnities in lieu of direct indemnity, Contractor agrees to establish and keep in place systems and controls appropriate to ensure that State funds under this Contract are not knowingly used for the acquisition, operation, or maintenance of Materials or Services in violation of intellectual property laws or a third party's intellectual property rights.

14.6 Redress of Infringement.

- 14.6.1. REPLACE, LICENSE, OR MODIFY. If Contractor becomes aware that any Materials or Services infringe, or are likely to be infringing on, any third party's intellectual property rights, then Contractor shall at its sole cost and expense and in consultation with State either:
 - 14.6.1.1. replace any infringing items with non-infringing ones;
 - 14.6.1.2. obtain for State the right to continue using the infringing items; or
 - 14.6.1.3. modify the infringing item so that they become non-infringing, so long as they continue to function as specified following the modification.
- 14.6.2. CANCELLATION OPTION. In every case under 14.6.1, if none of those options can reasonably be accomplished, or if the continued use of the infringing items is impracticable, State may cancel the relevant Order or terminate the Contract and Contractor shall take back the infringing items. If State does cancel the Order or terminate the Contract, Contractor shall refund to State:
 - 14.6.2.1. for any software created for State under the Contract, the amount State paid to Contractor for creating it;
 - 14.6.2.2. for all other Materials, the net book value of the product provided according to generally accepted accounting principles; and
 - 14.6.2.3. for Services, the amount paid by State or an amount equal to 12 (twelve) months of charges, whichever is less.
- 14.6.3. EXCEPTIONS. Contractor will not be liable for any claim of infringement based solely on any of the following by a State Indemnitee:
 - 14.6.3.1. modification or use of Materials other than as contemplated by the Contract or expressly authorized or proposed by a Contractor Indemnitor;
 - 14.6.3.2. operation of Materials with any operating software other than that supplied by Contractor or authorized or proposed by a Contractor Indemnitor; or
 - 14.6.3.3. combination or use with other products in a manner not contemplated by the Contract or expressly authorized or proposed by a Contractor Indemnitor.

14.7 First Party Liability Limitation

- 14.7.1. LIMIT. Subject to the provisos that follow below and unless stated otherwise in the Special Terms and Conditions, State's and Contractor's respective first party liability arising from or related to the Contract is limited to the greater of \$1,000,000 (one million dollars) or 3 (three) times the purchase price of the specific Materials or Services giving rise to the claim.
- 14.7.2. PROVISOS. This paragraph 14.7 limits liability for first party direct, indirect, incidental, special, punitive, and consequential damages relating to the Work regardless of the legal theory under which the liability is asserted. This paragraph 14.7 does not limit liability arising from any:
 - 14.7.2.1. Indemnified Claim against which Contractor has indemnified State Indemnitees under paragraph 6.3;



Special Terms and Conditions

State of Arizona
State Procurement Office

100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

14.7.2.2. claim against which Contractor has indemnified State Indemnitees under paragraph 6.4; or

14.7.2.3. provision of the Contract calling for liquidated damages or specifying amounts or percentages as being at-risk or subject to deduction for performance deficiencies.

14.7.3. PURCHASE PRICE DETERMINATION. If the Contract is for a single-agency and a single Order (or if no Order applies), then "purchase price" in Subparagraph 14.7.1 above means the aggregate Contract price current at the time of Contract expiration or earlier termination, including all Contract Amendments having an effect on the aggregate price through that date. In all other cases, "purchase price" above means the total price of the Order for the specific equipment, software, or services giving rise to the claim, and therefore a separate limit will apply to each Order.

14.7.4. NO EFFECT ON INSURANCE. This paragraph does not modify the required coverage limits, terms, and conditions of, or any insured's ability to claim against, any insurance that Contractor is required by the Contract to provide, and Contractor shall obtain express endorsements that it does not.

14.8 Information Technology Warranty

14.8.1. SPECIFIED DESIGN. Where the Scope of Work for information technology Work provides a detailed design specification or sets out specific performance requirements, Contractor warrants that the Work will provide all functionality material to the intended use stated in the Contract, provided that, the foregoing warranty does not extend to any portions of the Materials that are:

14.8.1.1. modified or altered by anyone not authorized by Contractor to do so;

14.8.1.2. maintained in a way inconsistent to any applicable manufacturer recommendations; or

14.8.1.3. operated in a manner not within its intended use or environment.

14.8.2. COTS SOFTWARE. With respect to Materials provided under the Contract that are commercial-off-the-shelf (COTS) software, Contractor warrants that:

14.8.2.1. to the extent possible, it will test the software before delivery using commercially available virus detection software conforming to current industry standards;

14.8.2.2. the COTS software will, to the best of its knowledge, at the time of delivery be free of viruses, backdoors, worms, spyware, malware, and other malicious code that could hamper performance, collect unlawfully any personally identifiable information, or prevent products from performing as required by the Contract; and

14.8.2.3. it will provide a new or clean install of any COTS software that State has reason to believe contains harmful code.

14.8.3. PAYMENT HAS NO EFFECT. The warranties in this paragraph are not affected by State's inspection, testing, or payment.

14.9 Specific Remedies

Unless expressly stated otherwise elsewhere in the Contract, State's remedy for breach of warranty under paragraph 14.8 includes, at State's discretion, re-performance, repair, replacement, or refund of any amounts paid by State for the nonconforming Work, plus (in every case) Contractor's payment of State's additional, documented, and reasonable costs to procure materials or services equivalent in function, capability, and performance at that first called for. For clarification of intent, the foregoing obligations are limited by the limitation of liability in paragraph 14.7. If none of the foregoing options can reasonably be effected, or if the use of the materials by State is made impractical by the nonconformance, then State may seek any remedy available to it under law.



Special Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

14.10 Section 508 Compliance

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this Contract shall comply with A.R.S. § 18-131 and § 18-132 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

14.11 Cloud Applications

14.11.1. The following are required for Contractor of any “cloud” solution that hosts State data outside of the State’s network, or transmits and/or receives State data.

- 14.11.1.1. Submit a completed Arizona Baseline Infrastructure Security Controls assessment spreadsheet as found at: <https://aset.az.gov/resources/policies-standards-and-procedures>, and mitigate or install compensating controls for any issues of concern identified by State. Contractor is required to provide any requested documentation supporting the review of the assessment. The assessment shall be re-validated on a minimum annual basis.
 - 14.11.1.2. State reserves the right to conduct Penetration tests or hire a third party to conduct penetration tests of the Contractor’s application. Contractor will be alerted in advance and arrangements made for an agreeable time. Contractor shall respond to all serious flaws discovered by providing an acceptable timeframe to resolve the issue and/or implement a compensating control.
 - 14.11.1.3. Contractor must submit copy of system logs from cloud system to State of AZ security team on a regular basis to be added to the State SIEM (Security Information Event Monitor) or IDS (Intrusion Detection System).
- 14.11.2. Contractor must employ a government-rated cloud compartment to better protect sensitive or regulated State data.



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382
Description: Commercial Card Solutions

Contractor: US Bank National Association

UNIFORM TERMS AND CONDITIONS

1.0 Definition of Terms

As used in the Contract, the terms listed below are defined as follows:

- | | |
|---------------------------------|--|
| 1.1. Attachment | "Attachment" means any item the solicitation requires the Offeror to submit as part of the Offer. |
| 1.2. Contract | "Contract" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments. |
| 1.3. Contract Amendment | "Contract Amendment" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract. |
| 1.4. Contractor | "Contractor" means any Person who has a Contract with the State. |
| 1.5. Days | "Days" means calendar days unless otherwise specified. |
| 1.6. Exhibit | "Exhibit" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation. |
| 1.7. Gratuity | "Gratuity" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received. |
| 1.8. Materials | "Materials" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space. |
| 1.9. Procurement Officer | "Procurement Officer" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract. |
| 1.10. Services | "Services" has the meaning given in A.R.S. § 41-2503(35), which, for convenience of reference only, is "... the furnishing of labor, time, or effort by [the] [C]ontractor or [S]ubcontractor which does not involve the delivery of a specific end product other than required reports and performance [but] does not include employment agreements or collective bargaining agreements." Services includes Building Work and the service aspects of software described in paragraph 1.8. |
| 1.11. State | "State" means the State of Arizona and Department or Agency of the State that executes the Contract. |
| 1.12. State Fiscal Year | "State Fiscal Year" means the period beginning with July 1 and ending June 30. |
| 1.13. Subcontract | "Subcontract" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract. |

2.0 Contract Interpretation

- | | |
|------------------------|---|
| 2.1 Arizona Law | The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7. |
|------------------------|---|



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382
Description: Commercial Card Solutions

Contractor: US Bank National Association

- 2.2 Implied Terms** Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
- 2.3 Contract Order of Precedence** In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;
 - 2.3.3. Statement or Scope of Work;
 - 2.3.4. Specifications;
 - 2.3.5. Attachments;
 - 2.3.6. Exhibits;
 - 2.3.7. Documents referenced or included in the Solicitation.
- 2.4 Relationship of Parties** The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5 Severability** The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract..
- 2.6 No Parole Evidence** This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7 No Waiver** Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3.0 Contract Administration and Operation

- 3.1 Records** Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2 Non-Discrimination** The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3 Audit** Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4 Facilities Inspection and Materials Testing** The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5 Notices** Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: US Bank National Association

Description: Commercial Card Solutions

- whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
- 3.6 Advertising, Publishing and Promotion of Contract** The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7 Property of the State** Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8 Ownership of Intellectual Property** Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
- 3.9 Federal Immigration and Nationality Act** The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 3.10 E-Verify Requirements** In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
- 3.11 Offshore Performance of Work Prohibited.** Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4.0 Costs and Payments

- 4.1 Payments** Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2 Delivery** Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3 Applicable Taxes**
- 4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
- 4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: US Bank National Association

Description: Commercial Card Solutions

responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

4.3.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law

4.4 Availability of Funds for the Next State fiscal year

Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

4.5 Availability of Funds for the current State fiscal year

4.5.1. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

4.5.1.1. Accept a decrease in price offered by the contractor;

4.5.1.2. Cancel the Contract; or

4.5.1.3. Cancel the contract and re-solicit the requirements

5.0 Contract Changes

5.1 Amendments

This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

5.2 Subcontracts

The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

5.3 Assignment and Delegation

The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6.0 Risk and Liability

6.1 Risk of Loss

The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

6.2 Indemnification

6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.

6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability,



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: US Bank National Association

Description: Commercial Card Solutions

costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."

6.3 Indemnification – Patent and Copyright

The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4 Force Majeure

6.4.1. Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall **not** include the following occurrences:

6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3. If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5 Third Party Antitrust Violations

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7.0 Warranties

7.1 Liens

The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2 Quality

7.2.1. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

7.2.1.1. Of a quality to pass without objection in the trade under the Contract description;

7.2.1.2. Fit for the intended purposes for which the materials are used;



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: US Bank National Association

Description: Commercial Card Solutions

- 7.2.1.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- 7.2.1.4. Adequately contained, packaged and marked as the Contract may require; and
- 7.2.1.5. Conform to the written promises or affirmations of fact made by the Contractor.

7.3 Fitness

The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4 Inspection/Testing

The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5 Compliance with Laws

The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

7.6 Survival of Rights and Obligations after Contract Expiration or Termination

- 7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- 7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8.0 State's Contractual Remedies

8.1 Right to Assurance

If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

8.2 Stop Work Order

- 8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- 8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3 Non-exclusive Remedies

The rights and the remedies of the State under this Contract are not exclusive.

8.4 Nonconforming Tender

Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

8.5 Right of Offset

The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: US Bank National Association

Description: Commercial Card Solutions

performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9.0 Contract Termination

9.1 Cancellation for Conflict of Interests

Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

9.2 Gratuities

The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

9.3 Suspension or Debarment

The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

9.4 Termination for Convenience

The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

9.5 Termination for Default

- 9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

9.6 Continuation of Performance Through Termination

The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.



Uniform Terms and Conditions

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: US Bank National Association

Description: Commercial Card Solutions

10.0 Contract Claims

10.1 Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

11.0 Arbitration

11.1 Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12.0 Comments Welcome

12.1 Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.



Appendix E Price Worksheet

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

APPENDIX E PRICE WORKSHEET

The terms and conditions reproduced here are for reference, ease of use and informational purposes only and do not, in any way, supersede, modify, supplement or otherwise amend the terms and conditions set forth in the Amended and Restated Master Agreement dated 11/12/2020.

INCENTIVE SHARE ADJUSTMENT. Incentive share and fees shall remain firm and fixed for the term of the Agreement; provided that in the event of a decrease or increase in the Interchange Rates by five percent (5%) or more, U.S. Bank will have the right (but not obligation) to replace the current Rebate/Incentive Share with a new Rebate/Incentive Share proportionate to the change of the revised Interchange Rates. Contractor will provide written justification to the Contract Administrator with validation of the adjustment to the Interchange Rate table; Enterprise Services reserves the right to negotiate a greater incentive share at any time during the life of the Agreement. A greater incentive share must be mutually agreed between the Parties. A Participating State may negotiate the specifics of the Incentive Share Component, but shall not exceed the total basis points offered by the Contractor. See Appendix E Price Worksheet Exhibit B – Rebate/Incentive Share.

PRICE CEILING. Except as provided in Section (*Incentive Share Adjustment*) above, Contractor's Basis Points as set forth in this Master Agreement shall be fixed. Contractor's fees (e.g. overnight card delivery and international transactions) set forth in this Agreement shall be the maximum fees Contractor may charge during the term of the Master Agreement. See Appendix E Price Worksheet Exhibit E – Supplemental Services.

ESTABLISHING A CARD USER AGREEMENT (CUA). Purchasing Entities shall establish a Card User Agreement. See Appendix E Price Worksheet Exhibit D – Card User Agreement.

PAYMENT. Payment is the sole responsibility of, and will be made by, the Purchaser. Payment is due within the earlier of forty-five (45) days of statement or the date required in the applicable Participating State's prompt pay act or similar legislation. If Purchaser fails to make timely payment(s), Contractor may invoice in the amount of up to one percent (1%) per month on the amount overdue or a minimum of \$2, or as otherwise agreed in the applicable Participating Addendum.

OVERPAYMENTS. Contractor promptly shall refund to Purchaser the full amount of any erroneous payment or overpayment. Such refunds shall occur promptly upon discovery by Contractor or within thirty (30) days of written notice to Contractor; Provided, however, that so long as Purchaser is not in monetary default at such time, Purchaser shall have the right to elect to have either direct payments or written credit memos issued. If Contractor fails to make timely payment(s) or issuance of such credit memos, Purchaser may impose a one percent (1%) per month on the amount overdue thirty (30) days after notice to the Contractor.

NO ADDITIONAL CHARGES. Unless otherwise specified herein, Contractor shall not include or impose any additional charges including, but not limited to, charges for shipping, handling, or payment processing.

TAXES/FEES. Contractor promptly shall pay all applicable taxes on its operations and activities pertaining to this Master Agreement.



Appendix E Price Worksheet

Master Agreement Exhibit A

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

COMMERCIAL CARD PRODUCTS

This Exhibit outlines the Commercial Card products available under the Master Agreement.

CARD TYPES - VISA		
Payment Solution	Liability Offered	Billing Option
Declining Balance Card/ Managed Spend Card	Commercial Liability	Corporate Bill/Corporate Pay Central Billed Accounts (CBA)
Emergency Card	Commercial Liability	Corporate Bill/Corporate Pay
One Card/Integrated Cards	Commercial Liability	Corporate Bill/Corporate Pay Individual Bill (IBA)/Individual Pay Individual Bill (IBA)/Corporate Pay Central Billed Accounts (CBA)
Purchase Card	Commercial Liability	Corporate Bill/Corporate Pay Individual Bill (IBA)/Individual Pay Individual Bill (IBA)/Corporate Pay Central Billed Accounts (CBA)
Travel Card	Commercial Liability	Corporate Bill/Corporate Pay Individual Bill (IBA)/Individual Pay Individual Bill (IBA)/Corporate Pay Central Billed Accounts (CBA)
Travel Card	Individual Liability Joint & Several Liability	Individual Bill (IBA)/Individual Pay Individual Bill (IBA)/Corporate Pay
Electronic Payable/Single Use Accounts/Virtual Card	Commercial Liability	Corporate Bill/Corporate Pay
SUPPLEMENTAL SOLUTIONS		
Payment Solution	Liability Offered	Billing Option
Ghost Cards (Available on all card types)	Commercial Liability	Corporate Bill/Corporate Pay
Event Planner Card	Commercial Liability	Corporate Bill/Corporate Pay Central Billed Accounts (CBA)
Travel Virtual Pay	Commercial Liability	Corporate Bill/Corporate Pay

- 1 DECLINING BALANCE CARD/MANAGED SPEND CARD.** The U.S. Bank Declining Balance Card/Managed Spend Card is an efficient way to manage outlying expenses. The U.S. Bank managed spend card is a flexible payment tool that can support a variety of budgetary requirements. Similar to traditional purchasing or travel card programs, managers can customize controls (i.e., cash guidelines and merchant category code blocking) while setting firm credit limits and/or fund expiration dates.



Appendix E Price Worksheet

Master Agreement Exhibit A

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Phoenix, AZ 85007

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Description: Commercial Card Solutions

- 2 EMERGENCY CARD.** U.S. Bank's Emergency Card offer seamless integration so the Participating State or Purchasing Entity can focus attention on maintaining operations and pursuing the restoration of services. This program is designed to assist employees in facilitating their recovery efforts during hurricanes, floods, fires, power outages and other crises. Spending limits and controls are pre-set to match policies for the Participating States and Purchasing Entities, as well as the individual payment needs of employees. We recognize that in most cases emergency response cards may remain inactive for a long period. As an added feature, U.S. Bank emergency response cards will not purge from the system because of inactivity to ensure Participating States and Purchasing Entities have access when an emergency arises.
- 3 ONE CARD/INTEGRATED CARDS.** The U.S. Bank One Card program unites the power of the U.S. Bank Purchasing Card and U.S. Bank Corporate Travel Card. Increase efficiencies, improve controls and provide employees with the convenience they are looking for. The One Card/Integrated Card program allows participants to manage travel and procurement transactions with one process, one staff, and one bill. Additional features include:

 - Current accounting system integration
 - Definable individual credit limits
 - Automatic travel insurance and emergency Travel services
 - Enhanced data capabilities
- 4 PURCHASE CARD.** The U.S. Bank Purchasing Card streamlines the purchasing process and empowers individual supply chain management strategies. By using U.S. Bank purchase cards to place orders, the costs associated with processing requisitions, purchase orders and check requests are dramatically reduced. The program simplifies and enhances all aspects of the purchasing process, including policy compliance, vendor negotiations, transaction monitoring, security, reporting and payment. Additional features include:

 - Worldwide acceptance
 - Transaction and spend limits
 - Comprehensive spend reporting
 - Enhanced data capabilities
 - Financial systems integration
 - Tax and compliance management tools
- 5 CORPORATE TRAVEL CARD.** The U.S. Bank Corporate Travel Card is a comprehensive, simplified way to monitor and control corporate travel and entertainment (T&E) expenses. Because the program is flexible and widely accepted, it can be easily tailored to meet the specific needs of the organization. The corporate travel card offers extensive reporting functions that can yield valuable information to help monitor T&E spending as well as aid with vendor negotiations. U.S. Bank corporate travel card also includes:

 - Comprehensive travel benefits
 - Electronic expense reporting integration
 - Flexible billing and CTS capability
 - 24/7/365 customer service support
 - Worldwide acceptance and access to global cash advance systems
 - Effective VAT reclaim solutions

The corporate travel card comes with the following liability options listed below. It should be

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Appendix E Price Worksheet

Master Agreement Exhibit A

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

noted, in U.S. Bank's current agreement with the State, Individual Liability is referred to as Joint and Several Liability and Contingent Liability.

- **Commercial Liability**—The Participating State or Purchasing Entity is solely liable to U.S. Bank for payment of all charges.
- **Individual Liability**—The Cardholder is solely liable for payment of all charges on their account. The Participating State or Purchasing Entity agrees to reimburse the Cardholder or to pay U.S. Bank directly for legitimate business expenses charged to the account.
- **Joint & Several Liability**— The Participating State or Purchasing Entity and individual Cardholders are responsible for payment of all charges incurred on their accounts. However, if a Cardholder does not pay according to the payment terms, the Participating State or Purchasing Entity is responsible for payment of all charges.

6 ELECTRONIC PAYABLE/SINGLE USE ACCOUNTS/VIRTUAL CARD. The U.S. Bank Virtual Pay (Electronic Payable/Single-Use Accounts/Virtual Card) functionality is a natural progression of Purchase Card/One Card/Travel Card solutions. By replacing checks and paper-based processes with virtual accounts, Virtual Pay streamlines payments to provide cost-saving solutions. At no cost to NASPO participants, Virtual Pay provides tools, resources, flexibility and a dedicated Supplier Enrollment team to help Participating States and Purchasing Entities reduce payment costs, increase efficiencies and generate rebate revenue. Virtual Pay cardless account numbers can be set to a specific supplier, date range and payment amount. Payments are processed only after the Participating State or Purchasing Entity approves them, providing complete control over the accounts payable process. Virtual Pay is also offered for T&E programs and provides several payment options, including:

- **Pre-Authorized Limits**—Under this option, we dynamically raise credit limits on supplier-dedicated accounts from zero to the approved amount.
- **Single-Use Accounts**—This option assigns unique account numbers (Single-Use Accounts) to each approved payment transaction. In addition, Single-Use Accounts simplify reconciliation through the one-to-one relationship of the account number to the posted transaction.
- **Precise Pay**—The Precise Pay functionality within U.S. Bank Virtual Pay drives greater control and auto reconciliation by controlling the payment amount that may be authorized from suppliers on Single-Use Accounts down to the penny.
- **Mobile On-Demand Single-Use Accounts**—U.S. Bank was the first bank with virtual cards rendered in a mobile app. Users can request single-use virtual card accounts and have them delivered to their mobile devices to make payments.
- **Straight-Through Processing**—The payment is automatically processed for the supplier with the payment being deposited into their merchant account.

7 GHOST CARD. The Ghost Card is an extension of the U.S. Bank Purchase Card, One Card and

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Appendix E Price Worksheet

Master Agreement Exhibit A

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

Corporate Travel Card solutions. Program Administrators may establish cardless accounts within any payment solution category for the purpose of strategic purchasing. Examples include department cards, supplier cards, AP cards, event planning, emergency cards, etc.

- 8 EVENT PLANNER CARD.** The U.S. Bank Event Planner Card allows select individuals the authority to make high limit and non- traditional purchases. This account, created in response to client demand, allows event planning staff the purchasing flexibility they need without forfeiting the convenience, reporting benefits and rebate potential associated with the commercial card program.
- 9 TRAVEL VIRTUAL PAY.** Travel Virtual Pay integrates virtual payment technology with the travel booking process, applying a unique virtual account number to every booking to facilitate automated matching of booking data with associated financial transactions. Travel Virtual Pay single-use account numbers can be set to specific criteria to match the booking authorization, enhancing control over travel expenses.



Appendix E Price Worksheet

Master Agreement Exhibit B

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

REBATE/INCENTIVE SHARE

This Exhibit outlines the Rebate/Incentive Share components under the Master Agreement.

INCENTIVE SHARE COMPONENTS/PAYMENTS

1. **REBATE/INCENTIVE SHARE #1 – STANDARD VOLUME INCENTIVE.** Each Purchasing Entity will receive a basis point (percentage) of their quarterly standard sales volume. The formula for calculating the Standard Volume Incentive is:

(Quarterly Total Volume – Quarterly Non-Standard Volume) x basis points = Quarterly Standard Volume Incentive.

Basis Points: 135

2. **REBATE/INCENTIVE SHARE #2 – NON-STANDARD VOLUME INCENTIVE.** Each Purchasing Entity will receive a basis point (percentage) of their quarterly non-standard sales volume. Non-Standard sales volume includes Large Ticket (LT) and Merchant Negotiated Interchange (MNI) Transactions. The formula for calculating the Non-Standard Volume Incentive is:

(Large Ticket Quarterly Volume x Large Ticket basis points) + (Merchant Negotiated Interchange Quarterly Volume x Merchant Negotiated Interchange basis points) = Quarterly Non-Standard Volume Incentive.

Large Ticket Purchases Basis Points: 135

Merchant Negotiated Interchange Basis Points: 135

3. **REBATE/INCENTIVE SHARE #3 – PROMPT PAYMENT INCENTIVE.** Each Purchasing Entity will receive a basis point (percentage) of their Quarterly Total Volume based on the entity's average speed of pay. The formula for calculating the Prompt Payment Incentive is:

Quarterly Total Volume x Basis Points for Entity Average Client-held Days = Quarterly Prompt Payment Incentive.

U.S. Bank will calculate the "average Client-held Days" by dividing the sum of daily balances during each Quarter by the Quarterly Total Volume (plus cash-advances), subtracting 15 from the result, and rounding up to the next whole number.

Note: The payment terms for the Master Agreement is forty-five (45) days.



Appendix E Price Worksheet

Master Agreement Exhibit B

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

Basis Points Offered:

Avg Client-held Days	Basis Points	Avg Client-held Days	Basis Points	Avg Client-held Days	Basis Points
1	44.0	16	29.0	31	14.0
2	43.0	17	28.0	32	13.0
3	42.0	18	27.0	33	12.0
4	41.0	19	26.0	34	11.0
5	40.0	20	25.0	35	10.0
6	39.0	21	24.0	36	9.0
7	38.0	22	23.0	37	8.0
8	37.0	23	22.0	38	7.0
9	36.0	24	21.0	39	6.0
10	35.0	25	20.0	40	5.0
11	34.0	26	19.0	41	4.0
12	33.0	27	18.0	42	3.0
13	32.0	28	17.0	43	2.0
14	31.0	29	16.0	44	1.0
15	30.0	30	15.0	45	0.0

- 4. INCENTIVE SHARE #4 – NATIONAL ANNUAL VOLUME INCENTIVE.** Each Participating State will receive an incentive based on their contribution to the National Annual Volume (total annual sales for all Participating States/Purchasing Entities). The Basis Point rate is determined by the National Annual Volume (total annual sales for all Participating States/Purchasing Entities). The formula for calculating the National Annual Volume Incentive is:

Annual Volume X basis points = National Annual Volume Incentive.

Basis Points Offered:

National Annual Volume	Basis Points
\$500,000,000 – \$2,000,000,000	34.75
\$2,000,000,001 – \$3,000,000,000	34.75
\$3,000,000,001 – \$4,000,000,000	34.75
\$4,000,000,001 – \$5,000,000,000	34.75
\$5,000,000,001+	34.75

- 5. REBATE/INCENTIVE SHARE PAYMENT.** U.S. Bank will pay each Purchasing Entity's net Rebate/Incentive Share payments within 60 days after the completion of the applicable quarter, except in the case of the National Annual Volume Incentive, which shall be paid within 60 days after the completion of the calendar year.

Payment can be made via account credit, mailed check, ACH or EFT payment (via standard or non-standard format) as determined in the applicable Participating Addendum.



Appendix E Price Worksheet

Master Agreement Exhibit D

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

ESTABLISHING A CARD USER AGREEMENT

This Exhibit explains the process and documentation for establishing an account for an individual Purchasing Entity. Participating States may edit this process via the Participating Addendum.

- 1. NEW ACCOUNT SETUP.** U.S. Bank has a designated sales team that processes all NASPO ValuePoint applications, ensuring knowledgeable support during the contracts and credit qualification process. U.S. Bank's sales team is available from 8:00 a.m. to 5:00 p.m., local time, to respond to questions about the program features, benefits, systems, processes, and can even assist them in filling out the application and required documentation if questions arise.

Any new Participating State or Purchasing Entity joining the program would go through U.S. Bank's tailored implementation approach. We will host an initial kick off meeting with the State or Purchasing Entity to further understand the program as well as discuss goals, objectives and needs.

U.S. Bank will deliver a detailed project plan and initial timeline and regular project meetings will be established. Throughout the process, the Implementation Team provides guidance regarding the available features and functionality for the Participating State or Purchasing Entity's program. Testing will be conducted to validate program requirements, connectivity and files prior to going live. After successful testing and a go-live decision, cards will be issued and files will move into production. When the implementation project closes, the State's Relationship Manager will schedule regular account review meetings to discuss program performance, additional training opportunities, spend and rebate statistics, trend analyses, potential for program growth and measurement of any additional program goals. Additionally, a designated Account Coordinator is available for daily servicing and support.

Existing Participating States or Purchasing Entities who desire to add a new product or program (such as Virtual Pay) will follow the same implementation strategy defined above. Program Administrators who simply want to add a new Managing Account to their existing program can reach out to their designated Account Coordinator for assistance.

- 2. CREDIT CHECKS FOR NEW PARTICIPATING STATE OR PURCHASING ENTITY.** For an existing Participating State (Washington, California, Oregon, etc.) U.S. Bank does not perform credit checks on State Agency Purchasing Entities prior to adding accounts for this program, because the overall Participating State is already credit qualified. If a Local Government Purchasing Entity were to join within an existing Participating State, they will go through U.S. Bank's standard credit qualification process.

For new Participating States who might join in 2021 or later (Colorado, South Dakota, etc.), the Participating State would go through U.S. Bank's standard credit qualification process. U.S. Bank would require three (3) years of audited financial statements on or before one hundred eighty (180) days after the end of the fiscal year. If satisfactory financial information can be found on the website of the entity, U.S. Bank will not require this information be provided. Upon execution of the contract, and upon completion of the credit review, and All Contingencies Satisfied (ACS) status would be issued. If a Local Government Purchasing Entity were to join within an existing Participating State, they will also go through U.S. Bank's standard credit qualification process. It should be noted; U.S. Bank will obtain a credit score on Individual Liability Cardholders after their first use date. These credit scores are

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Appendix E Price Worksheet

Master Agreement Exhibit D

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

obtained with a soft credit check, and do not affect any scoring models. The only time we would not setup an account is if the Cardholder had a previous charge-off with U.S. Bank Corporate Payment Systems with a current balance.

3. CREDIT CHECKS FOR CARD TYPES

- Declining Balance Card/Managed Spend Card – No credit check required
- Emergency Card – No credit check required
- One Card/Integrated Cards – No credit check required
- Purchase Card – No credit check required
- Travel Card – Credit check required on individual liability accounts
- Electronic Payable/Single Use Accounts/Virtual Card – No credit check required
- Ghost Card – No credit check required
- Event Planner – No credit check required
- Travel Virtual Pay – No credit check required

4. ADDING CARDS TO EXISTING ACCOUNT. For existing Participating States and Purchasing Entities, U.S. Bank offers a number of options for adding cards to an existing account. Many of these options can be accomplished through U.S. Bank's electronic application, Access Online.

5. ACCOUNT SETUP WORKFLOW. Program Administrators can set up and maintain new Cardholder accounts using Access Online. The setup procedure requires Program Administrators to enter data about the Cardholder, including:

- Demographics
- Account information
- Authorization limits
- Merchant Category Code (MCC) blocking
- Velocity limits

As an optional feature, the final review function allows a designated Program Administrator to review and approve the completed setup before submitting it to U.S. Bank for processing. Participating States and Purchasing Entities can also modify the information after the Cardholder account is established.

6. CARDHOLDER-INITIATED ACCOUNT SETUP. Participating States and Purchasing Entities may choose to use the Cardholder-initiated account setup process. Cardholders are sent an email that takes them to Access Online to populate their demographic information into the application. The Participating State or Purchasing Entity can choose to have the application then routed to the Cardholder's manager for approval, after which it will be routed to the Program Administrator to complete the setup (e.g., placing the Cardholder in the appropriate hierarchy and assigning limits). Stakeholders are notified of steps taken throughout the process.

As an optional functionality, the State or Purchasing Entity can choose to utilize an approval process where one designated Program Administrator starts the online application process and another designated approving Program Administrator processes the final review.



Appendix E Price Worksheet

Master Agreement Exhibit D

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

- 7. BULK ACCOUNT SETUP.** The bulk account setup function via Access Online provides the ability to upload account setup requests for processing through a batch file. Program Administrators can establish a secure connection via Managed File Services (MFS) and upload a batch file request for multiple accounts.

- Automated file validation is completed before processing the request
- Automated processing validation error/success notification is sent to the State
- Reporting is provided via email to communicate the status of account creation and any issues processing files

The bulk account setup function is available with a secure connection via Managed File Services. The Participating State or Purchasing Entity will follow the batch file format specification requirement document (provided during the MFS setup process), which requires the submission in a CSV file format.

- 8. VALUE ADD ENHANCEMENT – HR INTEGRATION.** The Contractor offers integration with HR systems, allowing Participating States and Purchasing Entities to automatically synchronize Cardholder updates on their internal systems, reducing the time and effort required to manually update Cardholders within U.S. Bank tools. Clients can integrate with Access Online Account Administration functions using a system of web services and APIs. Some examples of client system integration can include, but not limited to, HR, ERPs, and customer card program management systems.

The functionality includes both Account Setup and Maintenance requests. The new account setup process can be automated as part of new employee onboarding. This is key feature for T&E card programs with a lot of employee turnover. Account Maintenance includes real-time updates to account demographics, account status (open/temp close/terminated close) hierarchy updates, lines of accounting (including valid values), credit limits and MCC changes.

- 9. ADDITIONAL OPTIONS.** In addition to the options above, Program Administrators can submit an application via fax or email to their Account Coordinator team or upload account setup requests in Access Online for processing through a batch file.

- 10. ENHANCEMENTS.** As a part of U.S. Bank's goal to continue evolving and helping customers maximize their commercial card programs, we have offered specific enhancements within Access Online to allow organizations in this program to improve their processes. For example, a State client was looking for the ability to attach internal documents for approval of the Cardholder as a way of improving their transaction management process. We worked with the State and were able to supply this functionality.



Appendix E Price Worksheet

Master Agreement Exhibit E

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

SUPPLEMENTAL SERVICES AND FEES

This exhibit describes supplemental services to accompany the Commercial Card Products covered by the Master Agreement. Except with respect to the Foreign Transaction Fee, (i) services and/or fees can be excluded from a Participating Addendum at the Participating State's sole discretion; and (ii) at no point will acceptance or implementation of the supplemental services be a condition of executing a Participating Addendum.

SUPPLEMENTAL SERVICES

1. Service Title: Cash Advances

Service Description: U.S. Bank provides access to Cash Advances through owned and participating bank Automated Teller Machines and Association member offices. Each Participating Entity will decide if they want to use Cash Advance functionality.

Cards Supported: Travel Card, One Card

Associated Fee: 2.00% (Minimum \$2.00)

2. Service Title: Annual Card Fee

Service Description: Annual service fee applied to individual card account

Cards Supported: Purchase Card, Travel Card, One Card

Associated Fee: \$0.00

3. Service Title: Logo Embossing Fee

Service Description: The Purchasing Entity can elect to hot stamp their logo onto a standard U.S. Bank card Plastic.

Cards Supported: Purchase Card, Travel Card, One Card

Associated Fee: \$0.00 (two-week delay may occur with Card Issuance and Implementation)

4. Service Title: Travel Accident Insurance

Service Description: Up to \$500,000 coverage for accidental injury that is the sole cause of loss of life, limb, sight, speech, or hearing while riding as a passenger in, entering or exiting any common carrier.

Cards Supported: Travel Card, Purchase Card, One Card, Central Billed Accounts, Virtual Pay

Associated Fee: \$0.00

5. Service Title: Auto Rental Insurance

Service Description: Auto Rental Collision Damage Waiver covers theft and damage up to the actual

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Appendix E Price Worksheet

Master Agreement Exhibit E

State of Arizona

State Procurement Office

100 North 15th Avenue, Suite 402

Phoenix, AZ 85007

Contract Number: CTR051382

Contractor: U.S. Bank National Association

Description: Commercial Card Solutions

cash value of the vehicle. Coverage is primary.

Cards Supported: Travel Card, One Card

Associated Fee: \$0.00

6. Service Title: Visa Liability Insurance

Service Description: Up to \$100,000/cardholder coverage against eligible losses that might be incurred through card misuse by a client's terminated eligible cardholder. In the event that an eligible cardholder misuses their commercial card privileges, Visa Liability waives eligible charges.

Cards Supported: Purchase Card, Travel Card, One Card

Associated Fee: \$0.00

7. Service Title: Lost Luggage Insurance

Service Description: Up to \$1,250 reimbursement for lost or damaged luggage, checked or carried, if the common carrier's payment for the loss or damage is less than the traveler's claim. The passenger's claim must be submitted and paid by the common carrier before this coverage applies.

Cards Supported: Travel Card, One Card

Associated Fee: \$0.00

8. Service Title: Overnight Delivery Fee

Service Description: Delivery of cards overnight when requested by the Purchasing Entity.

Cards Supported: Travel Card, Purchase Card, One Card

Associated Fee: \$0.00

9. Service Title: Foreign Transaction Fee

Service Description: A charge applied to purchase made in foreign countries (outside the United States).

Cards Supported: Travel Card, Purchase Card, One Card, Central Billed Accounts, Virtual Pay

Associated Fee: 1.00%



Attachment 2 -Boycott of Israel Disclosure

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract No. CTR051382
Description: Commercial Card Solutions

Contractor: U.S. Bank National Association

BOYCOTT OF ISRAEL DISCLOSURE

Please note that if any of the following apply to this Participating Addendum as a State Contract, then the Offeror shall select the "Exempt Solicitation, Contract, or Contractor" option below:

- The Solicitation or Contract has an estimated value of less than \$100,000;
- Contractor is a sole proprietorship;
- Contractor has fewer than ten (10) employees; OR
- Contractor is a non-profit organization.

Pursuant to A.R.S. §35-393.01, public entities are prohibited from entering into contracts "unless the contract includes a written certification that the company is not currently engaged in, and agrees for the duration of the contract to not engage in, a boycott of goods or services from Israel."

Under A.R.S. §35-393:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
 - (a) Based in part on the fact that the entity does business in Israel or in territories controlled by Israel.
 - (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate, that engages in for-profit activity and that has ten or more full-time employees.
- ...
5. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.

The certification below does not include boycotts prohibited by 50 United States Code Section 4842 or a regulation issued pursuant to that section. See A.R.S. §35-393.03.

In compliance with A.R.S. §§35-393 *et seq.*, all offerors must select one of the following:

- ☒ The Company submitting this Offer does not participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.R.S. §§35-393 *et seq.* I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.
- ☐ The Company submitting this Offer does participate in a boycott of Israel as described in A.R.S. §§35-393 *et seq.*



Attachment 2 -Boycott of Israel Disclosure

State of Arizona
State Procurement Office
100 North 15th Avenue, Suite 402
Phoenix, AZ 85007

Contract No. CTR051382
Description: Commercial Card Solutions

Contractor: U.S. Bank National Association

☐ **Exempt Solicitation, Contract, or Contractor.**

Indicate which of the following statements applies to this Contract:

- ☐ Solicitation or Contract has an estimated value of less than \$100,000;
- ☐ Contractor is a sole proprietorship;
- ☐ Contractor has fewer than ten (10) employees; and/or
- ☐ Contractor is a non-profit organization.

U.S. Bank National Association

E-SIGNED by Brad Hoffelt
on 2021-02-16 19:06:47 GMT

Company Name

Signature of Person Authorized to
Sign

901 Marquette Ave. S.

Brad Hoffelt

Address

Printed Name

Minneapolis, Minnesota 55416

Senior Vice President

City

State

Zip

Title

End of Attachment