

State of Washington Contracts & Procurement Division Department of Enterprise Services P.O. Box 41411 Olympia, WA 98504-1411 U.S. Bank National Association 800 Nicollet Mall, Suite 2100 Minneapolis, MN 55402	<b>COOPERATIVE MASTER AGREEMENT</b>	<b>AMENDMENT</b>
	Contract No.	00719
	Amendment No.	1
	Effective Date	July 1, 2023

**FIRST AMENDMENT**  
**TO**  
**COOPERATIVE PURCHASING MASTER AGREEMENT NO. 00719**  
**COMMERCIAL CARD SERVICES**

This First Amendment ("Amendment") to Contract No. 00719 is made and entered into by and between the State of Washington acting by and through the Department of Enterprise Services, a Washington State governmental agency ("State") and U.S. Bank National Association, a national banking association ("Contractor") and is dated as of July 1, 2023.

**RECITALS**

- A. State and Contractor (collectively the "Parties") entered into that certain Contract No. 00719 for Commercial Card Services dated effective as of July 9, 2021 ("Contract").
- B. The amendment set forth herein is within the scope of the Contract.
- C. The Parties now desire to amend the Contract as set forth herein.

**AGREEMENT**

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the Parties hereby agree to amend the Contract, as previously amended, as follows:

1. EXHIBIT B – REBATE/ INCENTIVE SHARE. ***Exhibit B – Rebate/ Incentive Share*** of the Contract is hereby amended by deleting the existing *Exhibit B – Rebate/ Incentive Share* in its entirety and inserting the attached ***Exhibit B – Rebate/ Incentive Share***. As of the effective date of this Amendment, any reference to ***Exhibit B – Rebate/ Incentive Share*** shall be deemed to be a reference to the attached ***Exhibit B – Rebate/ Incentive Share*** (dated July 1, 2023).
2. INTEGRATED AGREEMENT; MODIFICATION. This Amendment constitutes the entire agreement and understanding of the Parties with respect to the subject matter and supersedes all prior negotiations and representations. In the event of any conflict between this Amendment and the Contract or any earlier amendment, this Amendment shall control and govern. This Amendment may not be modified except in writing signed by the Parties.

3. **AUTHORITY.** Each party to this Amendment, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Amendment and that its execution, delivery, and performance of this Amendment has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
4. **ELECTRONIC SIGNATURES.** An electronic signature or electronic record of this Amendment or any other ancillary agreement shall be deemed to have the same legal effect as delivery of an original executed copy of this Amendment or such other ancillary agreement for all purposes.
5. **COUNTERPARTS.** This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Amendment at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Amendment.

EXECUTED AND EFFECTIVE as of the day and date first above written.

**U.S BANK NATIONAL ASSOCIATION,  
A NATIONAL BANKING ASSOCIATION**

**STATE OF WASHINGTON  
DEPARTMENT OF ENTERPRISE SERVICES**

By: \_\_\_\_\_  
Name: Brian J. Richter  
Title: Senior Vice President  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Elena McGrew  
Title: Statewide Enterprise Procurement  
Manager  
Date: \_\_\_\_\_

**REBATE/INCENTIVE SHARE**

Effective July 1, 2023

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:

$$(\text{Quarterly Total Volume} - \text{Quarterly Non-Standard Volume}) \times \text{basis points} = \text{Quarterly Standard Volume Incentive.}$$

**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 (excluding Amazon 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:

$$(\text{Large Ticket Quarterly Volume} \times \text{Large Ticket basis points}) + (\text{Merchant Negotiated Interchange Quarterly Volume} \times \text{Merchant Negotiated Interchange basis points}) = \text{Quarterly Non-Standard Volume Incentive.}$$

**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 (excluding Amazon sales volume) based on the entity's average speed of pay. The formula for calculating the Prompt Payment Incentive is:

$$\text{Quarterly Total Volume} \times \text{Basis Points for Entity Average Client-held Days} = \text{Quarterly Prompt Payment Incentive.}$$

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.**

**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, but excluding Amazon sales volume). 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. CONDITIONS.** To be eligible for and to retain a Rebate/Incentive Share, the Participating State and applicable Purchasing Entity must (i) have a Participating Addendum or Card User Agreement in effect at the end of the quarter in which a Rebate/Incentive Share is earned, and (ii) neither the Participating State nor the Purchasing Entity (if applicable) shall be subject to an uncured default at the time the Rebate/Incentive Share payment is due for such quarter. If the Participating State or Purchasing Entity fails to satisfy the conditions of this section at the time of the scheduled Rebate/Incentive Share payment, U.S. Bank will not be required to pay the Participating State or Purchasing Entity a Rebate/Incentive Share payment for such quarter. If the Purchasing Entity's final Rebate/Incentive Share is a negative amount, the Purchasing Entity shall reimburse U.S. Bank up to the amount of Rebate/Incentive Share U.S. Bank has previously paid to the Purchasing Entity.
- 6. REBATE/INCENTIVE SHARE PAYMENT.** U.S. Bank will pay each Purchasing Entity's Rebate/Incentive Share payments within sixty (60) days after the completion of the applicable quarter, except in the case of the National Annual Volume Incentive, which shall be paid within sixty (60) days after the completion of the calendar year. The final Rebate/Incentive Share payment to a Purchasing Entity will be made after the Purchasing Entity satisfies all Obligations and provides written instructions to U.S. Bank to close all Commercial Card accounts. U.S. Bank may retain and will not be required to pay a Rebate/Incentive Share payment to a Purchasing Entity if such payment is less than \$75.00. U.S. Bank will not carry forward any Rebate/Incentive Share payments less than \$75.00.

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.

- 7. PRIOR PARTICIPATING ADDENDUM.** If a Participating State has executed a Participating Addendum to the Commercial Card Solution, Washington State Contract #00612 Category 1 (as amended, supplemented or otherwise modified from time to time, the "**Prior NASPO Bankcard Agreement**"), any Purchasing Entities participating under the Prior NASPO Bankcard Agreement will continue to have an opportunity to earn a rebate pursuant to the terms and conditions of the Prior NASPO Bankcard Agreement for the Quarter preceding the first Quarter under an applicable Participating Addendum, and the Prior NASPO Bankcard Agreement will terminate on the first day of the first Quarter under a Participating Addendum.

## 8. REBATE/ INCENTIVE SHARE FOR AMAZON VOLUME

- a. **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) tied to their Amazon Volume. Each Participating State's Amazon volume shall be multiplied by 28.1475 basis points for purposes of determining the National Volume incentive for such Amazon Spend (which is 19% less than the current 34.75 basis point level for the National Annual Volume Incentive).
- b. **Non-Standard Volume Incentive.** All Amazon volume shall be considered Non-Standard sales volume and shall be multiplied by 109.35 basis points for purposes of determining the Non-Standard Volume Incentive for such Amazon spend (which is 19% less than the current 135 basis point level for all other Non-Standard sales volume).
- c. **Prompt Payment Incentive.** All Amazon volume shall be multiplied by the applicable quarterly period's average Client-held Days based upon the speed of pay set forth below for purposes of determining the Prompt Payment Incentive for such Amazon spend (which basis point figures are 19% less than the current basis point figures for all other non-Amazon sales volume).

### Amazon Basis Points Offered:

Average Client Held Days	Basis Point	Average Client Held Days	Basis Point	Average Client Held Days	Basis Point
1	35.64	16	23.49	31	11.34
2	34.83	17	22.68	32	10.53
3	34.02	18	21.87	33	9.72
4	33.21	19	21.06	34	8.91
5	32.40	20	20.25	35	8.10
6	31.59	21	19.44	36	7.29
7	30.78	22	18.63	37	6.48
8	29.97	23	17.82	38	5.67
9	29.16	24	17.01	39	4.86
10	28.35	25	16.20	40	4.05
11	27.54	26	15.39	41	3.24
12	26.73	27	14.58	42	2.43
13	25.92	28	13.77	43	1.62
14	25.11	29	12.96	44	0.81
15	24.30	30	12.15	45	0.00