

STANDARD AGREEMENT - AMENDMENT

STD 213A (Rev. 4/2020)

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 33 PAGES

| | | |
|-----------------------------------|-----------------------|-----------------------------|
| AGREEMENT NUMBER 5-23-99-37-01 | AMENDMENT NUMBER 2 | Purchasing Authority Number |
|-----------------------------------|-----------------------|-----------------------------|

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of General Services

CONTRACTOR NAME
U.S. Bank National Association

2. The term of this Agreement is:

START DATE
July 1, 2023

THROUGH END DATE
November 1, 2028, with two (2) optional two-year extensions

3. The maximum amount of this Agreement after this Amendment is:
\$0.00 (Zero dollars and zero cents, with no guarantee of contract expenditure)

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

- 1) Extends the contract term end date to November 1, 2028.
- 2) Exhibit A – Scope of Work, Section 4 – Contractor Administrators provisions have been revised. Exhibit A is hereby replaced in its entirety with the attached Exhibit A (33 pages).

All other terms and conditions shall remain the same.

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

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
U.S. Bank National Association

| | | | |
|---|---------------------|-------------|--------------|
| CONTRACTOR BUSINESS ADDRESS 200 South Sixth Street | CITY Minneapolis | STATE MN | ZIP 55402 |
|---|---------------------|-------------|--------------|

| | |
|--|--------------------------------|
| PRINTED NAME OF PERSON SIGNING Ryan Potts | TITLE Senior Vice President |
|--|--------------------------------|


| | |
|--|---------------------------|
| CONTRACTOR AUTHORIZED SIGNATURE  | DATE SIGNED 12/29/2025 |
|--|---------------------------|

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of General Services

| | | | |
|---|-------------------------|-------------|--------------|
| CONTRACTING AGENCY ADDRESS 707 Third Street, 2nd Floor | CITY West Sacramento | STATE CA | ZIP 95605 |
|---|-------------------------|-------------|--------------|

| | |
|---|-------------------------------------|
| PRINTED NAME OF PERSON SIGNING Carol Bangs | TITLE Branch Chief, Acquisitions |
|---|-------------------------------------|

| | |
|---|--|
| CONTRACTING AGENCY AUTHORIZED SIGNATURE Carol Bangs  | DATE SIGNED 1/26/26 Digitally signed by Carol Bangs Date: 2026.01.26 13:08:18 -08'00' |
|---|--|

CALIFORNIA DEPARTMENT OF GENERAL SER

EMPTION (If Applicable)



EXHIBIT A – SCOPE OF WORK

1. INTRODUCTION

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

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

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

2. AGREEMENT TERM

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

written justification to the STP Contract Administrator with validation of the adjustment and identify how the adjustment is applicable to travel-related purchases. New rates will become effective through amendment to the MSA.

3. ORDER OF PRECEDENCE

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

4. CONTRACT ADMINISTRATORS

- A. DGS-PD shall designate a Contract Administrator for this MSA and maintain the State Agency User Agreement Instructions on the State's Procurement Portal (Cal eProcure). The designated DGS-PD Contract Administrator will be identified within the State Agency User Agreement Instructions.
- B. STP shall designate a Contract Administrator for this MSA. The designated STP Contract Administrator will be identified within the State Agency User Agreement Instructions.
- C. The Contractor shall assign a Contract Administrator to serve as the single point of contact for all MSA related inquiries and contractual matters. The Contractor shall provide the name, email address, phone number, and fax number of its Contract Administrator to both the DGS-PD and STP Contract Administrators.
- D. If there is a change to the Contractor's Contract Administrator, the DGS-PD Contract Administrator, or the STP Contract Administrator, the respective party shall notify the others in writing. Such changes do not require an amendment to this MSA. The Contractor must report any changes to its Contract Administrator to the DGS-PD Contract Administrator within forty-eight (48) hours and must also notify all User Agencies.
- E. The DGS-PD Contract Administrator shall prepare, maintain, and post the State Agency User Agreement Instructions on the State's Procurement Portal (Cal eProcure). These instructions shall include current contact information for the DGS-PD Contract Administrator, STP Contract Administrator, and the Contractor's Contract Administrator.

5. TERMINATION

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

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

6. TERMINATION FOR CONVENIENCE

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

7. AMENDMENTS

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

8. AUTHORIZED USER AGENCY

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

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

9. MANAGEMENT MEMO (MM) 14-03

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

10. NON-EXECUTIVE BRANCH USER AGENCIES

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

- 1) Invoicing, delivery, and payment provisions.
- 2) Governing law, jurisdiction.

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

11. CONTRACTOR RESPONSIBILITIES

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

12. IMPLEMENTATION PLAN

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

will be maintained and used for all payment/card Accounts throughout the term of this MSA.

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

13. USER AGENCY RESPONSIBILITIES

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

14. CARD ACCOUNTS

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

- 3) Individually Billed, Individual Liability Account – Card account billed directly to the Cardholder. These accounts are paid directly by the Cardholder and utilize a physical card.

C. Contractor shall provide, at minimum, the following card types to all User Agencies:

- 1) Declining Balance Card/Managed Spend Card – Specialized card with a pre-set spend limit and expiration date that is typically non-replenishing. This card product has an established limit that reduces as transactions occur.
- 2) Emergency Card – Specialized card that is always open, active, and ready for use, often with no or an extremely high credit limit.
- 3) Travel Card – Physical card used by a User Agency and its employees for travel expenses. This product may be used to make travel arrangements, or by a Cardholder at the point of sale.
- 4) Meeting Card – Physical card used by a User Agency and its employees for meeting and conference related expenses, including but not limited to room rental, food and beverage, audio and visual, room blocks, and other meeting and conference related expenses.
- 5) Virtual Card – Virtual, single-use credit card number intended as a method of payment for travel-related services.

D. Contractor shall provide a Restricted Card: A travel card issued to applicants with a low credit score that contains more stringent restrictions defined by the agency/organization, which may require the Contractor to:

- 1) Reduce the overall dollar limit for the card.
- 2) Reduce the limit on individual transaction amounts.
- 3) Limit the types of transactions allowed.
- 4) Issue pre-paid card that automatically restricts dollar amount and transaction types.
- 5) Limit the dollar amount of transactions that can be applied to the card within a particular time period.
- 6) Limit the length of time a card remains active, such as for the length of time in travel status only; and/or
- 7) Restrict use at ATM's.

- E. STP and a User Agency may cancel payment accounts with thirty (30) calendar days written notice.
- F. Accounts must link to STP's separately contracted Travel Management Services (TMS) provider, and Online Booking Tool (OBT), through the Global Distribution System (GDS).
- G. Contractor shall integrate virtual payments for all travel services under this MSA and shall have the ability to integrate virtual payments for all other current and future STP travel segments.
- H. Contractor shall issue any Virtual Account through the GDS and OBT by automatically generating a single-use Virtual Card number for STP programs including but not limited to:
 - 1) Lodging
 - 2) Airline
 - 3) Commercial Car Rental
- I. STP or a User Agency may request that the Contractor issue an Individually Billed, Individual Liability Card, to which Cardholder is solely liable for all amounts incurred through such cards, and any applicable fees as provided in the cardholder account agreement in effect.
- J. Reporting of Individually Billed, Individual Liability Accounts to the credit bureaus will not be sooner than one hundred eighty-one (181) calendar days Past Due. Should the Contractor choose not to report the Cardholder to the credit bureaus at one hundred eighty-one (181) calendar days Past Due, the Contractor shall waive deductions for credit loss (Charge Off deduction) of the one hundred eighty-one (181) calendar days Past Due reported amount.
- K. Each card must have a "per transaction" and monthly charge limit as determined by STP. Purchases for amounts greater than the determined limits must be rejected. Unless otherwise requested by STP, the Contractor must not accept purchases that would cause the credit limit to be exceeded.

15. ACCOUNT/CARD ISSUANCE

- A. Contractor must allow for Program Administrators to order and issue cards (single or multiple simultaneously) online.
- B. All requests for account/card issuance or re-issuance shall have proper approval from STP and/or the Program Administrator.

- C. Cards must be automatically re-issued upon card expiration unless otherwise specified by STP or the Program Administrator in writing or electronically.
- D. Cards are to be provided or delivered to the User Agency, as directed, within two (2) to three (3) business days of receipt of a Card Application or completion of account setup, and in urgent cases, within twenty-four (24) hours.
 - 1) In the event of a lost or stolen card, a replacement card is to be delivered within seventy-two (72) hours of STP or User Agency notification to Contractor or within twenty-four (24) hours in urgent cases. Urgency will be determined by STP or User Agency.
- E. Contractor must be able to deliver cards overnight when requested by the User Agency.
- F. Program Administrators shall have the authority to approve all changes to the name and/or delivery address of their respective User Agencies' cards.
- G. Centrally Billed Accounts shall have the ability to link one or more centrally billed cards within the same Centrally Billed Account.
- H. Contractor must be able to issue multiple cards (different card numbers) for the same account or billing entity as required by the User Agency.
- I. User Agency shall only be permitted to request the issuance of Accounts in the name of the following parties: (i) in its own name, (ii) in the name of any User Agency employee, (iii) in the name of any individual that is acting directly or indirectly as an independent contractor of User Agency and (iv) in the name of any other individual provided on a temporary basis and so long as such individual has a bona fide connection to User Agency (i.e., a temporary card issued to an employee candidate). Contractor may refuse to issue an Account to any party that cannot satisfy Contractor's regulatory requirements referenced in Exhibit E, Section 8.A.
- J. Contractor may immediately, (i) suspend or cancel any Account, with notice, if Contractor is unable to verify the identity of the Account holder or owner of the Account based on the information submitted to Contractor, or if Contractor is unable to verify that providing services to an Account holder or User Agency does not pose a risk to Contractor of violating any applicable law, statute, or regulation.

16. RESTRICTIONS AND LIMITS

- A. Contractor shall prohibit use of cash advances or withdrawals at ATMs for all card accounts.

- B. Contractor agrees to suspend, impose, and/or set limits and restrictions on payment/card accounts as specified by STP to include, but not be limited to:
- 1) Limiting the types of transactions allowed and the number of transactions allowed.
 - 2) Limiting the dollar amount of transactions that can be applied to the account within a particular time period.
 - 3) Maximum daily/weekly/monthly spend limits.
 - 4) Limiting or blocking a single or multiple merchants by use of Merchant Category Codes (MCC).
 - 5) Limiting the length of time a card or an account number remains active.
 - 6) Suspending any account that is delinquent for a period exceeding ninety (90) calendar days from the Billing Cycle close date.
 - 7) Cancelling/closing any account that is delinquent for a period exceeding one hundred eighty (180) calendar days from the Billing Cycle close date.
- C. On an exception basis, the Contractor must have a process in place whereby the User Agency can request the Contractor to change the limits instantly or within a few hours.

17. CARD DESIGN

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

- C. STP and the Contractor will agree upon any other design features that would assist with card acceptance and Fraud prevention.

18. ENROLLMENT FOR NEW USER AGENCIES

- A. Enrollment and onboarding of new User Agencies after the initial implementation should include a structured, less than forty-five (45) calendar day timeline outlining the support and assistance for each User Agency to ensure the most effective transition to STP.
- B. Contractor shall provide new User Agencies enrollment procedures and package to STP for approval within thirty (30) calendar days of the kickoff meeting. The enrollment package may include a Card Application and participating agreement that stipulates User Agencies agree to follow the terms and conditions of this MSA. Contractor agrees to work with STP on any edits on the enrollment package. After mutual review by both parties, STP will approve the final enrollment process including procedures and form for use by User Agencies.
- C. Contractor shall have a pre-established Account setup process. Contractor shall provide STP with a draft of the pre-established Account setup process within thirty (30) calendar days of kick off meeting. Contractor agrees to work with STP on any edits on the pre-established account setup process. Final pre-established Account setup process must be approved in writing by STP. Pre-established Account setup process may be customized based on the needs of each User Agency.
- D. Contractor shall direct inquiries regarding enrollment to STP.
- E. Contractor must create new billing Accounts within four (4) weeks or less from submission of the STP approved enrollment package.
- F. Each User Agency (except for Executive Branch agencies) will be subject to credit verification by the Contractor and imposed limits/restrictions based on credit worthiness.

19. REBATES AND INCENTIVES

- A. Total Spend Incentives and Prompt Payment Incentives outlined in Exhibit B.1 – Rebates/Incentives Sheet will stay in effect for the entire term of the MSA, including exercised option year(s) unless modified in accordance with Exhibit A, Section 2.D.
- B. Total Spend Incentive

- 1) STP must receive a Basis Point (BP) (percentage) of its total annual spend volume, excluding returns, credits, and unauthorized use of cards or Accounts during the incentive period.
- 2) The Total Spend Incentive must be provided to STP annually, within ninety (90) calendar days of the "Go Live" date.
- 3) The Total Spend Incentive will be made payable to STP via check, automatic clearing house (ACH), or electronic funds transfer (EFT), as determined by STP.
- 4) The Total Spend Incentive to be received annually by STP is calculated as:
BP (percentage) x Annual Total Spend Volume minus one hundred eighty (180)-day Credit Losses and Charge Offs.

C. Prompt Payment Incentives

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

document may be created with mutual agreement of STP and Contractor for opt-out use).

- a) If a Prompt Payment Incentive is earned by a User Agency that selects the “opt-out” provision, or that does not provide required banking instruction detail as required to receive payment, Contractor shall process monies for issuance and make payable to STP by supplemental payment.
- 7) The Prompt Payment Incentive shall be made via mailed check, ACH or EFT, as determined by the User Agency.
- a) The Prompt Payment Incentive will not be calculated with or affect the Total Spend Incentive and/or the resulting payment.

D. Incentive Reporting

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

- c) Total Number of Transactions (by User Agency)
 - d) Average Days to Pay (by User Agency)
 - e) Calculated Prompt Payment Incentive (by User Agency)
 - f) Date Paid
 - g) Charge Offs (by User Agency)
- 3) Contractor must submit Total Incentive Usage Report and Prompt Payment Usage Reports in Excel format via email within thirty (30) calendar days from the "Go Live" date to STP for review. After mutual review by both parties, STP will approve in final reporting format.
- E. New card products and services must not impact the Total Spend and Prompt Payment Incentive share offering.

20. STAFFING/CUSTOMER SERVICE

- A. Contractor must provide all necessary staff to maintain all service levels, and provide prompt, courteous and efficient service. The number of assigned staff shall be sufficient to meet all service level requirements including but not limited to, Account settlement inquiries, payment discrepancy resolution, online system administration, reporting, and training as needed.
- B. Contractor staff must be based in the continental United States (US).
- C. Contractor shall provide at least one (1) designated Account Manager and one (1) backup Account Manager, each with a minimum of three (3) years of experience to oversee the daily operations and provide Account management support to STP and User Agencies, including but not limited to:
 - 1) Serve as the primary point of contact to address issues during implementation and beyond.
 - 2) Be available Monday through Friday to STP and Program Administrators during the User Agencies' regular business hours, i.e., 8:00 a.m. – 5:00 p.m. (PST).
 - 3) Participate in, at minimum, bi-weekly meetings to review performance, new and existing Account status, program initiatives, and outstanding customer service issues.

- 4) Required to attend in-person meetings throughout California. Any travel expenses associated with this role will not be covered or reimbursed by the state.
 - 5) Provide implementation planning and onboarding support with detailed actions, bi-weekly calls, and effective communication with STP and current and potential User Agencies.
 - 6) Establish and maintain relationships with existing and potential User Agencies to ensure ongoing active Account management to support professional relationships and customer service.
 - 7) At the request of STP, the Account Manager shall conduct an annual TPS program analysis and review of the top User Agencies. This program review shall include identification of missed and new travel opportunities and align with User Agencies' specific goals.
- D. Contractor shall provide a designated customer service team consisting of, at minimum, one (1) dedicated Account Representative and one (1) backup Account Representative, to support the size, scope, and complexity of an Account the size of the State of California, including but not limited to the following:
- 1) Day-to-day Account management support to STP, Program Administrators and Cardholders.
 - 2) A domestic and international toll-free telephone number available to Cardholders twenty-four (24) hour a day, seven (7) days a week, three hundred sixty-five (365) days a year.
 - 3) Technical support for the online data management and reporting system.
 - 4) Qualified personnel familiar with all aspects of this MSA.
 - 5) Dedicated resources necessary to ensure effective and efficient service under this MSA.
- E. Contractor shall provide live customer service/staffing for service any time outside of normal business hours, i.e., evenings, weekends, State holidays, etc. on twenty-four (24) hour a day, seven (7) days a week, three hundred sixty-five (365) days a year basis. The after-hours service must have access to the Contractor's system for making Account changes, Fraud submissions, and resolving declines as needed.

- F. Contractor shall provide alternate staffing support, communicated to STP in advance for scheduled and unscheduled absences of the dedicated Account Manager(s) and Account Representative(s).
- G. Contractor shall provide a technical Account Specialist(s) to assist in handling missing/unidentified payments, and other payment investigations. This individual shall also provide support services for payment system reconciliation and reporting.
- H. Contractor shall provide at least one (1) Technical Consultant or Payment Solution Consultant to coordinate and support Virtual Accounts. This includes but is not limited to assisting with Account implementations, declines, merchant outreach and training, particularly with MCC assignments and authorizations.
- I. Contractor shall provide and make available to STP an issue tracking system to report and track issues and have an established escalation process to meet the needs of all User Agencies.
- J. Contractor shall notify STP in writing within fourteen (14) calendar days of an Account Manager and/or Account Representative change and provide STP with at least one (1) replacement candidate that will meet or exceed the experience and skill level of the Account Manager and/or Account Representative being replaced.
 - 1) The state shall not compensate the Contractor for any time or effort required to prepare the new Account Manager and/or Account Representative for work related to this MSA.
 - 2) The state, for cause, reserves the right to require the Contractor to replace an assigned Account Manager and/or Account Representative at any time. The state will notify the Contractor in writing when exercising that right, providing the Contractor with the cause. The Contractor, within fourteen (14) calendar days of such notification, shall provide a replacement candidate that meets or exceeds the experience and skill level of the Account Manager and/or Account Representative being replaced.

21. SUBCONTRACTORS

- A. Nothing contained in this MSA or otherwise, shall create any contractual relation between the state and any Subcontractors, and no Subcontractor shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be fully responsible to the state for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by any of the Subcontractors as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its Subcontractors is an

independent obligation from the state's obligation to make payments to the Contractor. As a result, the state shall have no obligation to pay or to enforce the payment of any moneys to any Subcontractor.

- B. Subcontractors must be mutually agreed upon between Contractor and STP.
- C. Subcontractors shall comply with all conditions stated in this MSA.
- D. Additional Service Level Agreements (SLAs) may be created based on the nature of work being performed by the Subcontractor.
- E. STP has the right to require a replacement of the Subcontractor at any time.
 - 1) Contractor shall have sixty (60) calendar days from the date of notice given by STP to replace the Subcontractor.
 - 2) Contractor shall be responsible for continued coverage of services, and that there is no lapse in service for any existing programs currently in effect by STP.

22. SERVICE LEVEL AGREEMENT (SLA)

- A. Contractor shall allow STP, or a duly authorized representative of STP, to submit performance evaluations and monitor services.
- B. Contractor shall take part with STP in monthly, at minimum, meetings to review performance during the term of this MSA. The performance review meetings are separate from the required bi-annual TPS review meetings.
- C. Contractor shall provide regularly scheduled customer satisfaction surveys including but not limited to the below occurrences:
 - 1) Post-implementation survey for STP to rate the Contractor.
 - 2) Annually to STP to rate the performance of the Contractor.
 - 3) Ongoing for all Program Administrators and Cardholders.
- D. Contractor must have an established escalation plan and process in place to resolve both operational and technical issues promptly.
 - 1) Escalation requests shall be acknowledged in writing within one (1) business day.
 - 2) Continuous updates must be provided in writing to STP and/or the Program Administrator until the issue is resolved.

- 3) Ongoing service tickets, root cause analyses, and resolutions shall be provided to STP in a reporting format at the performance meetings.
- E. If service levels outlined herein or any other terms of this MSA are not met, STP reserves the right to initiate a corrective action plan to address the issues in a formal setting. Each service level and category listed in this MSA will be considered individually; however, STP may determine the need for action based on the Contractor’s overall performance. At each stage of the below escalation process, the Contractor shall effectively communicate a strategy for the escalated issue (e.g., root cause analysis, and resolution, with timeline).
- 1) Issue will be escalated to the Contractor’s Account Representative Manager.
 - 2) Issue will be escalated to the Contractor’s Account/Service Manager.
 - 3) Issue will be escalated to the Contractor’s Senior Account Manager.
- F. Contractor shall meet and support the following, including but not limited to, SLA productivity and service standards:

| Service Category | Service Level Agreement |
|--|---|
| Customer Service | <ul style="list-style-type: none"> 1. Return all calls within 24 hours. 2. Respond to all emails within 48 business hours. 3. Regular correspondence is expected, providing updates to submitter in response to service-related incidents, requests, or inquiries until completed/resolved. 4. Customer service survey satisfaction scores must be a minimum 90% satisfaction rating. |
| Billing Account/Card Set-Up | <ul style="list-style-type: none"> 1. Confirm receipt of email within 2 business days. 2. Execute required Account Hierarchy within 5 business days after Account template established. 3. Set up billing Account within 4 weeks. |
| Reporting | <ul style="list-style-type: none"> 1. Customized reports provided within 24 hours of request. |
| System Availability and Maintenance | <ul style="list-style-type: none"> 1. 99.9% uptime or better for all online systems. 2. Maintenance window notification in writing 72 hours prior to occurrence for all online systems. |

23. ONLINE ACCOUNT MANAGEMENT AND REPORTING

- A. Contractor shall provide singular, secure, online client portal that acts as an Account management and reporting system. This modern online portal shall:

1. Integrate all Accounts and transactions into a centralized location online.
 2. Allow for uploading and storage to readily access user agreements, documents, messages, information requests, and enrollment forms for each User Agency.
 3. Accurately capture, report, and settle all electronic transactions in a timely manner according to industry standards.
 4. Comply with all applicable technical and functional performance criteria, as required by state and federal law, mandated by state policy, and determined by User Agencies.
- B. Routine system upgrades should be performed outside of normal business operating hours (e.g., weekends, or before 6:00 a.m. and after 7:00 p.m. (PT) Monday through Friday).
- C. Online systems shall provide access to data and reporting to any individual that STP has appropriately cleared with a requirement to access the specified information system and/or report for performing or assisting in a lawful government purpose.
- D. The Account management system shall provide or enable, at minimum:
- 1) Real-time data available twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year.
 - 2) Travel administration and Account management including but not limited to, Account balances, limits, charges, declined transactions, spend history, accounting codes and demographics.
 - 3) Transactional data review, collection, and management.
 - 4) Multiple program Hierarchy levels (at least a minimum of seven).
 - 5) Establish roles, access, permission controls and authority levels for multiple user types.
 - 6) Unlock system access and reset User IDs and passwords.
 - 7) Card Application, registration, and Account/card updates.
 - 8) Online Statement access.
- E. The reporting system shall provide or enable, at minimum:

- 1) Ad Hoc reporting.
- 2) Format types, including but not limited to, CSV, Excel, and PDF.
- 3) Drill down capabilities for accounting/budget/project codes and other enhanced data (custom data fields).
- 4) Integration with an open Application Programming Interface (API) connection of a Customer Relationship Management (CRM) technology as designated by STP.
- 5) Exporting capabilities where files can be automatically exported into HR/Payroll systems and/or other back-office systems.
- 6) Multiple user roles and permissions that allow access to be controlled by a specific role and/or organizational unit.
- 7) Data retention for a period no less than seven (7) years for all reporting spend and volume.
- 8) Multi-factor authentication and reporting to show who accessed or viewed sensitive data.
- 9) Business Intelligence (BI) analytics component capable of generating visual and manipulable representations such as custom dashboards, graphs, diagrams, and charts specific to selected data sets.
- 10) Level I, Level II, and Level III transaction data providing specific line-item details at the time of a card transaction beyond what is required for consumer card transactions.

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

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

| Report Name | Description |
|------------------------|---|
| Account History | Identify the history of changes made to an Account including changes to spending and single purchase limits, dates of changes, previous and current limits, and any additions/removals of MCCs, along with associated user credentials. |

Department of General Services, Procurement Division
Travel Payment Services
Agreement Number: 5-23-99-37-01
Amendment 2

| Report Name | Description |
|--------------------------------------|---|
| Account Reconciliation | Account payment details of the total number of purchases made including but not limited to date, merchant's name, amount, authorization number, location and for any credits or debits for the period. Any applicable fees, including interest or late payment charges. |
| Cardholder Activity | List of all cards issued including name of Cardholder, card number, expiry date, limit, and any other information that the Contractor may have. |
| Cardholder Listing | List of all active, cancelled, and closed cards (status) with card information. |
| Credit Limit | Total credit limit information, both allocated and available, including monthly limits and overall credit limits. |
| Declined Transactions/Reasons | Details of declined transaction authorizations along with related Account and merchant information for a specific time period and includes details such as declined date and time, requested (declined amount), transaction method, number and frequency of declined transactions including MCC, merchant name(s), etc. |
| Delinquency | Any accounts or cards with Past Due balances greater than 30 calendar days, balance owed, length of time Past Due in 30+, 60+, 90+, 120+, 150+ and 180+ Past Due day buckets. Provides details on Accounts in delinquency accounts by hierarchy. |
| Hierarchy | Organizational Hierarchy by User Agency type, including at a minimum, User Agency name, unique identifiers, and Hierarchy levels. |
| Program Administrator Listing | List of all Program Administrators, and contact information, sortable by department, Hierarchy, card type, and Account status. Include at a minimum User Agency name, User Agency type, contact name, email, and phone number. |
| Prompt Payment | Prompt payment (rebate) containing at a minimum, but not limited to User Agency name, monthly and yearly volume sales, average days to pay, calculated incentive share, Charge Offs, total actual incentive share for each agency, total actual incentive share paid to STP, total number of transactions and number of Accounts. |
| Rebate | Incentive share (rebate) containing at a minimum, but not limited to User Agency name, monthly and yearly volume sales, average days to pay, calculated incentive share, Charge Offs, total actual incentive share, total number of transactions and number of Accounts. |

| Report Name | Description |
|------------------------------|---|
| Industry Spend/Volume | Sortable by, at minimum, merchant, department, Hierarchy, date range, industry, total, providing comparative reference from historical data, and providing forecasting. |
| System User List | Identify users and Account status information within an organization, identifying all individuals with access and their current user status (activated, locked, etc.). |
| Total Spend Summary | Total spend for all transactions with a breakdown by MCC. |
| Transaction | Transaction detail and spend details for all cards including merchant details, MCC, total transaction amount, average transaction amount, and transaction count. |
| Vendor Details | Summary of top vendors providing total spend and transaction volume. |

24. STATEMENTS AND PAYMENT TERMS

- A. STP shall identify the Billing Cycle timeframe for all User Agencies.
- B. Contractor shall provide a monthly electronic Statement to each Cardholder and/or Program Administrator for each User Agency that indicates the outstanding balance, amount due and the payment date. In addition, the Statement shall show an itemized, accurate list of current purchases, payments, and credits, where applicable.
- C. Contractor shall enable Cardholders and Program Administrators to access their monthly online Statements as well as export the Statement into Excel. If necessary to retrieve Statements, STP shall provide each Program Administrator or other authorized Cardholder a secure encrypted access to the Contractor’s website to access and view electronic Account Statements.
- D. Each transaction is billed directly to a central Account. Some User Agencies may require multiple and/or separate Account Statements at the conclusion of each Billing Cycle, as specified by the Program Administrator. The Contractor’s systems shall be flexible enough to meet the needs of varying ordering systems in use by different User Agencies.
- E. Contractor shall make available system-generated email reminder capabilities to notify users of Statement download (online Statement enrollment), and all other payment-related alerts.
- F. If the User Agency does not submit payment in accordance with Exhibit B, Section 1.A, then the Account is delinquent.

- G. Contractor shall have an established collection process for delinquent Accounts upon mutual agreement between STP and the Contractor, including but not limited to email notifications when an Account/card has gone delinquent.
- H. Contractor shall notify STP and/or the User Agency before taking any action, such as closing an Account, on any User Agency's delinquent Accounts.
- I. Contractor shall suspend or cancel payment/card Accounts as specified by STP including, but not limited to:
 - 1) Suspending any Account that is delinquent for a period exceeding ninety (90) calendar days from the Billing Cycle close date.
 - 2) Cancelling any Account that is delinquent for a period exceeding one hundred eighty (180) calendar days from the Billing Cycle close date.
 - a) If an Account remains unpaid for more than one hundred eighty (180) calendar days after the Billing Cycle close date, the Contractor may "Charge Off" the outstanding balance and deduct it from STP's rebate.
 - b) However, if a User Agency ends up paying the outstanding balance after the "Charge Off" period, then the Contractor shall waive the deduction from STP's rebate any payments received after the "Charge Off" period.

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

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

26. TRAINING

- A. Prior to the "Go Live" date of this MSA, the Contractor shall provide comprehensive training to STP and User Agency Program Administrators to ensure a smooth and seamless transition, training schedule, refresher training, new product enhancements, updates on processes and procedures, additional training materials, etc.

- B. Contractor shall provide on-demand and/or pre-recorded training as needed for the following modules, at minimum:
- 1) Program Administrator enrollment/setup.
 - 2) Card ordering, issuance, and activation.
 - 3) Card administration and maintenance.
 - 4) Account management and reconciliation.
 - 5) Security requirements and Fraud prevention/detection.
 - 6) Creating and using reports.
- C. Contractor shall provide bi-monthly training, at a minimum, for all User Agencies and new participating User Agencies throughout the term of this MSA. Each User Agency may have additional training requirements including, at a minimum:
- 1) Online web-based training.
 - 2) Onsite training.
 - 3) Onsite and/or web-based user group forums and workshops. Custom user reference guides and related materials, including periodic updates and notifications.
- D. Contractor shall provide STP and each User Agency with customized user manuals and job aids related to this MSA at no additional cost to the state. Sufficient job aids or user manuals are to be kept current. For example, if there is a software upgrade, the trainings and job aids shall be updated accordingly. Updates to job aids and user manuals must be proactively communicated to STP.
- E. Contractor's job aids and user manuals shall be professionally developed and should include at minimum: PowerPoints, online videos, newsletters, and other instructional guides (either electronic or print materials), at the request of STP and User Agencies.
- F. Contractor shall provide training on any future technology implemented by the Contractor (e.g., new portals, dashboards, or data repositories).
- G. Contractor shall provide two (2) hours of information security and privacy awareness training annually to STP and to all Contractor staff prior to providing any support under this MSA.

- H. Contractor staff shall complete DGS' Information Security and Privacy Awareness training annually in accordance with SAM section 5305 and 5320, National Institute of Standards and Technology (NIST) Standards and GC section 11549.3. Subjects shall include but are not limited to the following:
- 1) Personal Health Information (PHI)
 - 2) Federal Tax Information (FTI)
 - 3) Health Insurance Portability and Accountability Act (HIPAA)
 - 4) Information security essentials
 - 5) Basic privacy awareness
 - 6) Data protection and destruction
 - 7) Incident reporting
- I. Contractor staff shall complete DGS' Information Security and Privacy Awareness training prior to receiving any working assignment for STP.
- J. Contractor staff shall complete DGS' Information Security and Privacy Awareness training prior to obtaining access to any physical or digital DGS network and information assets.
- K. Contractor shall retain documentation for all staff supporting STP, confirming the completion of two (2) hours of information security and privacy awareness training annually, and provide it to STP upon request within twenty-four (24) hours.

27. CONFIDENTIALITY AND DATA SECURITY

- A. All financial statistical (e.g. transactions, charges, spending volume or repayment terms), personal, technical and other data and information relating to the State's operation which are designated confidential by the state and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor, including personnel employed by the Contractor and its Subcontractors, from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the state. All data is owned by the state and may be reported to a designated data aggregation service provider. All data must be securely held and accessible per requirements from the California Public Records Act, GC Title 1, Division 7, Chapter 3.5, Article 1.

- B. Contractor must house all data in the United States of America and data shall only be accessed by employees who reside in the United States of America.
- C. Contractor must not use, sell or distribute state information assets to engage in or solicit the performance of any activity that violates laws, regulations, rules, policies, standards and/or other application requirements issues by the federal government, the State of California, or DGS.
- D. Contractor must require all key personnel to complete security awareness training to ensure the anonymity of information and that access to such information is controlled and restricted to authorized personnel only. Contractor must provide updated certification annually to the DGS-PD Contract Administrator, within thirty (30) calendar days from receipt, throughout the term of this MSA.
- E. Contractor shall maintain a secure environment in compliance with Payment Card Industry (PCI) and Data Security Standards (DSS) requirements.
- F. Contractor shall notify STP of any attempt of a data security breach, or who's unencrypted Personally Identifiable Information (PII), was acquired, or believed to have been acquired, by an unauthorized person. PII includes but is not limited to any representation of information that permits the identity of an individual to whom the information applies to be inferred by either direct or indirect means. In the event of a breach or threatened breach of confidentiality, the state will pursue all available remedies up to and including termination of the MSA.
- G. Contractor shall fully cooperate with the state's efforts to investigate any incident and provide notice to STP, the individual(s) whose data was involved, and to others as required by law or deemed appropriate by the state. STP will not request security access into the Contractor's online system but will instead investigate with Contractor's support and by using their user access to the system.
- H. Contractor shall identify and repair software bugs or other security gaps that may expose state data to risk of unauthorized access or use.
- I. Contractor shall create, publish, maintain, and deploy disaster recovery and business continuity plans.
- J. Contractor agrees that the state or its designated representative shall have the right to review and copy any records and supporting documentation directly pertaining to performance of this MSA.

- K. Contractor agrees to maintain such records for audit purposes, for a minimum of seven (7) years after final payment, unless a longer period of records retention is stipulated.

28. MARKETING

- A. In cooperation with STP, the Contractor shall co-develop and help implement marketing campaigns and business development plans to bring on new User Agencies to STP, STP will have final approval, including but not limited to:
- 1) Obtaining contact data for key decision makers annually, at a minimum, to market STP services to non-participating public California agencies.
 - 2) Providing marketing materials, brochures and flyers, and tradeshow collateral with STP-related program highlights.
 - 3) Creating and updating virtual marketing collateral, videos, and presentations on behalf of STP.
 - 4) Creating and updating demo videos with STP-related program highlights.
 - 5) Facilitating and attending cooperative seminars, workshops, conferences, and individual meetings requiring travel within California with STP and STP-contracted vendors presenting the benefits of STP to potential new User Agencies.
- B. Contractor shall not market STP or its services independently from STP without explicit written permission from STP.
- C. Contractor shall notify STP any time there is an opportunity to market to a potentially eligible new User Agency.

29. NEWS RELEASE

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

30. HEALTH AND SAFETY

- A. Contractor and all Subcontractors shall abide by all applicable health and safety mandates issued by federal, state, and local governments and/or public health officers as well as those issued by DGS, and worksite specific mandates, to the extent that a governing body has jurisdiction over the workplace. If multiple mandates exist, the Contractor and Subcontractors shall abide by the most restrictive mandate.

- B. Costs associated with adhering to health and safety mandates are the responsibility of the Contractor. Contractor is responsible for the tracking and compliance of health and safety mandates and may be audited upon at least seven (7) days' written notice.

31. ELECTRONIC AND INFORMATION TECHNOLOGY ACCESSIBILITY

- A. Contractor's online systems shall be designed and implemented to comply with all applicable technical and functional performance criteria, as required by state and federal law, mandated by state policy, and determined by, including but not limited to the following:
- 1) Government Code (GC) Section 11135 prohibits discrimination based on sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation, under any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.
 - 2) GC Section 7405(a) requires, "In order to improve accessibility of existing technology, and therefore increase the successful employment of individuals with disabilities, particularly blind and visually impaired and deaf and hard-of-hearing persons, state government entities, in developing, procuring, maintaining, or using electronic or information technology, either indirectly or through the use of state funds by other entities, shall comply with the accessibility requirements of Section 508 of the federal Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations". The Revised 508 Standards incorporate by reference the Web Content Accessibility Guidelines (WCAG) 2.0 Level AA Success Criteria and apply the WCAG 2.0 Level AA success criteria and conformance requirements to both web and non-web electronic content.
 - 3) GC Section 7405(b) requires, "Any entity that contracts with a state or local entity subject to Section 11135 for the provision of electronic or information technology or for the provision of related services shall agree to respond to, and resolve any complaint regarding accessibility of, its products or services that is brought to the attention of the entity".
 - 4) Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. 12101 et seq.) prohibits discrimination against qualified individuals with disabilities in all programs, activities, and services of public entities; therefore, web-based applications and other electronic and information

technology must comply with the accessibility standards of the WCAG 2.0 Level AA.

- 5) Section 4833 of the State Administrative Manual directs, "Agencies/state entities, as well as any contractors working for them, are responsible for ensuring that their Agency/state entity public web sites are accessible to both the general public and that their internal Agency/state entity electronic and IT systems are accessible by state employees, including persons with disabilities".
- B. Upon delivery and prior to each subsequent release, the Contractor shall ensure that the online systems comply with all applicable technical and functional performance criteria, as required by Exhibit A, Section 31.A above. Upon written request, Contractor shall provide STP certification of such compliance.
- C. Contractor shall include accessibility testing in the Software Development Life Cycle (SDLC) for all releases and certify, in its release notes, that the release complies with the accessibility standards specified in Section 31.A above.
- D. Contractor shall, for each product release, conduct a regression test for conformance to accessibility standards specified in 31.A above.
- E. Contractor shall conduct required accessibility testing using commonly available assistive technology products, including but not limited to, screen reading software, screen magnification software, braille displays, and speech recognition software. If testing of any assistive technology fails on the launch of a new release or software already in production, Contractor must notify STP in writing within five (5) business days of the failed test.
- F. Contractor shall incorporate new and updated accessibility standards as required by state and federal law, mandated by state policy, and determined by customer agencies, in compliance with GC Sections 7405 and 11135, and WCAG 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success criterion.
- G. All electronic documentation, training and instructional materials, and authentication functionality must also meet the applicable accessibility standards specified in Section 31.A above.
- H. Contractor shall ensure, through design and implementation of accessibility features as required by Section 508 of the Federal Rehabilitation Act of 1973 and specified in Web Content Accessibility Guidelines (WCAG) 2.x,

that employees with disabilities experience comparable access to the system as is provided to employees without disabilities. Employees with disabilities must be able to independently acquire the same information as individuals who do not have disabilities.

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

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

33. END OF MSA TRANSITION

- A. Contractor agrees that at the expiration of this MSA, should the state conduct another procurement and award a new MSA, the Contractor will work with STP to ensure that an efficient and effective transition takes place within nine (9) months.
- B. Contractor is required to develop and maintain a transition plan, subject to the approval of STP, that shall provide information on the Contractor’s strategy for transitioning User Agencies to a potential new Contractor, ensuring that an efficient and effective transition takes place.
 - 1) The transition plan is to include, at a minimum, the following information to address how the Contractor will onboard User Agencies off the current Agreement to the new Agreement.
 - a) The anticipated timeframe for conversion of new and/or existing Card Applications.
- C. Contractor shall provide a dedicated Account Manager who will be the primary point of contact to address issues during rollout and beyond.
- D. Contractors shall cooperate fully if for any reason there is a change in Contractor due to contract termination or expiration.

- E. Contractors shall, upon written notice, furnish phase-in, phase-out services for up to sixty (60) days prior to the expiration of this MSA. Contractor shall provide sufficient, experienced staff during the phase-in, phase-out period to ensure that there is no reduction in the quality of services provided under this MSA.
- F. Contractor agrees that all charge activity under this MSA shall be completed on or before the expiration date of this MSA.
- G. Contractor agrees that if an Account reconciliation occurs after the expiration date or if this MSA is terminated, the Contractor agrees to work with STP to resolve all credit transactions.
- H. Contractor agrees that at the expiration of this MSA, the Contractor must cancel all outstanding cards with future expiration dates.
- I. Contractor agrees to provide customer and Account close-out support after expiration or termination of this MSA.
- J. Contractor agrees, that at the end of the phase-out period or at the termination of this MSA, to destroy all state data in its possession.

34. GENERATIVE AI DISCLOSURE OBLIGATIONS

- a. The following terms are in addition to the defined terms and shall apply to the Contract:
 - 1) “Generative AI (GenAI)” means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § 11549.64.)
- b. Contractor shall notify the State in writing at such time it: (1) specifically intends to provide GenAI as a deliverable to the State; or (2), specifically intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term “materially impacts” shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.
- c. Notification shall be provided to the State designee identified in this Contract.
- d. At the direction of the State, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology in the Goods, Services and Software provided to the State pursuant to the Contract if use of any such GenAI technology that materially impacts functionality, risk or contract performance, until the State conducts its risk assessment of and approves such GenAI

technology for this Contract, provided that such approval shall not be unreasonably delayed or withheld. In the event Contractor is, at Contractor's sole discretion, unable to discontinue the use of any new or previously undisclosed GenAI technology as described in the preceding sentence, Contractor shall pause the provision such Goods, Services or Software containing or utilizing such new or previously undisclosed GenAI technology and issue a credit or a refund as determined by the State for such period until the State conducts its risk assessment of and approves such GenAI technology for this Contract, provided that such approval shall not be unreasonably delayed or withheld. Contractor shall continue its performance under the Contract that is unrelated to the use of any new or previously undisclosed GenAI technology in the Goods, Services and Software. For avoidance of doubt, any such discontinuance or pause pursuant to this Section shall not be considered a Stop Work Order. Nothing in this section will allow the State to forego payments owed Contractor.

- e. If the use of previously undisclosed GenAI is approved by the State, then Contractor will update the Deliverable description, and the Parties will amend the Contract accordingly.
- f. The State, at its sole discretion, may consider Contractor's failure to disclose, discontinue or pause the provision or use of GenAI as described above, to constitute a material breach of Contract when such failure results in a material impact to the functionality of the System, risk to the State, or Contract performance. The State is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the contract.