STANDARD CONTRACT FORM
Goods and Non-Professional Services

1. Agency Contract Number	2. Contract Title ACH Origination Services	3. Financial Coding	4. Agency Assigned Encumbrance Number
5. Vendor Number	6. Project/Case Number RFP 2014-0400-2022	7. Alaska Business License Number 742734	

This contract is between the State of Alaska,

8. Department of	Division	
Revenue	Treasury	hereafter the State, and

9. Contractor	
US Bank National Association	hereafter the Contractor

Mailing Address	Street or P.O. Box	City	State	ZIP+4
US Bank Government Banking	302 N Last Chance Gulch	Helena	MT	59601

10.

ARTICLE 1. Appendices: Appendices referred to in this contract and attached to it are considered part of it.

ARTICLE 2. Performance of Contract:

2.1 Appendix A[1] (General Conditions), Items 1 through 17, govern contract performance.
2.2 Appendix B sets forth the liability and insurance provisions of this contract.
2.3 Appendix C sets forth the scope of work/services to be performed by the contractor.

ARTICLE 3. Period of Performance: The period of performance for this contract begins December 1, 2013, and ends November 30, 2018, with two (2) one-year renewal options upon the mutual agreement of the State and contractor.

ARTICLE 4. Considerations:

4.1 In full consideration of the contractor's performance under this contract, the State shall pay the contractor a sum not to exceed $3,000,000.00 in accordance with the provisions of Appendix D.
4.2 When billing the State, the contractor shall refer to the Agency Contract Number and send the billing to:

11. Department of	Attention: Division of
Revenue	Treasury
Mailing Address	Attention:
PO Box 110405	Bronze Ickes, Assistant Cash Manager

12. CONTRACTOR	13. CONTRACTING AGENCY
Name of Firm US Bank National Association	Department/Division Revenue/Treasury
Signature of Authorized Representative	Signature of Procurement Officer
Typed or Printed Name of Authorized Representative Kim Spiroff	Typed or Printed Name of Procurement Officer Bronze Ickes, Assistant Cash Manager
Date November 19, 2013	Date November 19, 2013

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APPENDIX A[1]

GENERAL CONDITIONS

1. **Inspections and Reports:**
The department may inspect, in the manner and at reasonable times it considers appropriate, all of the contractor's facilities and activities under this contract. The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.

2. **Suitable Materials, Etc.:**
Unless otherwise specified, all materials, supplies or equipment offered by the contractor shall be new, unused, and of the latest edition, version, model or crop and of recent manufacture.

3. **Disputes:**
Any dispute arising out of this agreement shall be resolved under the laws of Alaska. Any appeal of an administrative order or any original action to enforce any provision of this agreement or to obtain any relief from or remedy in connection with this agreement may be brought only in the superior court for the State of Alaska.

4. **Default:**
In case of default by the contractor, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and hold the contractor responsible for any resulting excess cost and may seek other remedies under law or equity.

5. **No Assignment or Delegation:**
The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Procurement Officer.

6. **No Additional Work or Material:**
No claim for additional supplies or services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Procurement Officer.

7. **Independent Contractor:**
The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

8. **Payment of Taxes:**
As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

9. **Compliance:**
In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, license, permits and bonds.

10. **Conflicting Provisions:**
Unless specifically amended and approved by the Department of Law the General Conditions of this contract supersede any provisions in other appendices. The contractor specifically acknowledges and agrees that provisions in any form contracts it appends hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska that are not conditioned on legislative appropriation, or (3) seek to limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.

11. **Officials Not to Benefit:**
Contractor must comply with all applicable federal or State laws regulatingethical conduct of public officers and employees.

12. **Contract Prices:**
Contract prices for commodities must be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized without further cost. Prices for services must be in U.S. funds and include applicable federal duty, brokerage fee, packaging, and transportation cost so that the services can be provided without further cost.

13. **Contract Funding:**
Contractors are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.

14. **Force Majeure:**
(Impossibility to perform) The contractor is not liable for the consequences of any failure to perform, or default in performing, any of its obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the contractor. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

15. **Contract Extension:**
Unless otherwise provided, the State and the contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect, and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least thirty (30) days before the desired date of cancellation.

16. Severability:

If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

17. Continuing Obligation of Contractor:

Notwithstanding the expiration date of this contract, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.

APPENDIX C

Contract Number: 2014-0400-2022
Contract Term: December 1, 2013 through November 30, 2018
Renewal Options: This contract contains two, one-year unilateral renewal options to be exercised solely by the State.

Scope of Work:

The terms and conditions of this contract, including the scope of work/services, are contained in the following documents, incorporated by reference:

APPENDIX E: RFP 2014-0400-2022, as amended, issued by the Department of Revenue
APPENDIX F: Proposal submitted by U.S. Bank National Association on September 16, 2013
APPENDIX G: Standard Legal Agreements for U.S. Bank National Association, including, but not limited to, U.S. Bank's Deposit Account Agreement and U.S. Bank's Services Terms and Conditions. U.S. Bank agrees that no material changes to U.S. Bank's standard legal agreements will be binding on the State unless agreed to by the State in writing.

In case of conflict, the following order of precedence shall govern:

1. This contract document, excluding Appendices E, F, and G.
2. Appendix E;
3. Appendix F;
4. Appendix G.

Scope of Work:

A brief description of the scope of work for this contract follows. However, the above referenced documents must be reviewed for additional details.

U.S. Bank National Association (the Contractor) shall provide Automated Clearing House (ACH) origination and related banking services for the State of Alaska. At the specific direction of the Cash Management Section of the Treasury Division, the Contractor will provide services that include, but are not limited to the following:

1. **ACH Origination Services**

   U.S. Bank National Association will act as the State's primary ACH Originating Depository Financial Institution (ODFI) and perform all required ACH services.

   The State, as Originator, will:
   - Assume the responsibilities of an Originator under the National Automated Clearing House Association (NACHA) rules
   - Be bound by and comply with the NACHA Operating Rules
   - Initiate and transmit authorized credit and debit entries to the ODFI

   U.S. Bank National Association, as ODFI, will:
   - Assume the responsibilities of an ODFI under the NACHA rules
   - Be bound by and comply with the NACHA Operating Rules
   - Comply with Office of Foreign Assets Control (OFAC) requirements
   - Submit the Originator's authorized credit and debit entries into the ACH Network

2. **Transactions**

The list of ACH transactions the Contractor will accept from the State includes PPD, PPD+, CCD, CCD+, CTX, WEB, TEL, and IAT. The State may transmit reversing entries, batches or files, if they occur prior to NACHA's deadline. The Contractor will also accept and process all prenotifications initiated by the State. The State reserves the right to use additional SEC codes and add new ACH origination programs if deemed necessary during the term of the contract.

3. **Credit Limits**

Contractor will establish, maintain and periodically review ACH credit limits for each State program that utilizes this contract. The Contractor will establish a standard review process that ensures that any file that exceeds an established credit limit will be approved and will still settle on the State's requested settlement date.

4. **Funding**

Credit transactions initiated by the State will not be prefunded. These transactions will be funded by a transfer from either the State's custodial bank or trust account bank on the settlement date of the transactions. While it is the State's intention to provide funding to the Contractor on the date credit transactions settle, on rare occasions the funding transaction may fail. If the funding transaction should fail for any reason, the Contractor will still submit the State's credit transactions into the ACH Network with the State's requested settlement date. In case of failure of the funding transaction, the State will fund transactions as soon possible after the transaction settlement date.

5. **Bank Accounts**

The Contractor shall provide a demand deposit account for each state program utilizing this contract. Since the State of Alaska is the account holder, personal information for state employees, such as social security number, driver's license numbers, etc. will not be used as documentation for the purpose of opening these accounts. Only authorized State employees will be signers on these bank accounts.

The Contractor will process and report all ACH related transactions, including but not limited to credits, debits, returns, reversals and adjustments. The Contractor will provide other related banking services, such as fraud filters, payment authorization services, etc. that have been documented in the State's RFP and Contractor's proposal.

6. **Reporting**

The Contractor will provide an internet based inquiry system, a daily BAI2 report of prior day activity by bank account and subaccount (where applicable), and an acknowledgement and verification system for file transmissions. The BAI2 report should be made available to the State via a download from the Contractor's website prior to 7:30 am Alaska Time each day.

7. **Collateralization**

All State deposits maintained with the Contractor must be collateralized to the extent that they exceed insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC), according to Alaska Statute and State Investment Policies and Procedures collateral requirements. Acceptable collateral is currently defined as U.S. Treasury Bonds, Notes and Bills and debt securities guaranteed by the U.S. or its agencies or instrumentalities as follows:

a) Debt securities of the Federal Farm Credit System
b) Debt securities of the Federal Home Loan Banks
c) Debt securities of the Federal National Mortgage Association ("Fannie Mae")
d) Debt securities of the Government National Mortgage Association ("Ginnie Mae")
e) Debt securities of the Federal home Loan Mortgage Corporation ("Freddie Mac")

These securities must be marked to market at least monthly, AAA rated senior debt that is non-callable. If mortgages are held, they must be TBA deliverable.

If more than Treasury bonds, notes and bills are held, then 110% of deposits will be required to be held as collateral.

A tri-party agreement will be executed between the State, the Contractor, and an eligible trustee who agrees to safekeep the pledged securities. The Contractor shall pay all collateralization expenses incurred with the trustee.

8. Negative Collected Balance

The intent of the State is to maintain either zero or a positive collected balance in all State accounts. However, there will be occasions when an account will become overdrawn. Upon discovery of an overdrawn account, the State will deposit funds to eliminate the negative collected balance.

9. Other Services

The description of services in this contract is not meant to preclude the use of new services or technologies as they are developed. If the State requires the Contractor to provide new banking services or technologies, those services will be within the general scope of this contract. The State will provide the Contractor a written description of the additional work and request the Contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work.

APPENDIX D
PAYMENT FOR SERVICES

1. **Method of Payment**

The State may compensate the Contractor by maintaining compensating balances, by direct payment, or by a combination of the two methods. The State will initially use direct payments for all programs except Beaches and the Permanent Fund Dividend distribution (PFD). Beaches and PFD fees will be paid with compensating balances. The Contractor will bill each agency directly for their program costs and provide a copy of those billings to Alaska Department of Revenue, Treasury Division, Cash Management Section.

The State will use its best efforts to maintain a level of compensating balances that will generate an earnings allowance equal to the cost of services at the close of each calendar year. However, due to fluctuations in the earnings rate and the volume of services provided, the State will be unable to reach a net zero funding position. The Contractor agrees to carry forward to the new calendar year a reasonable amount not to exceed $10,000 net of all cumulative fees vs. Earnings Credit Allowances for all accounts combined.

2. **Compensating Balance Account**

The Contractor shall either make available an account not subject to the Federal Reserve 10% reserve requirement or compensate the State by using an adjusted Earnings Credit Rate (ECR) that is equivalent to 100% of the average collected balance for that account. Earnings credits accruing on this account will offset fees accrued.

3. **Earnings Credits**

The Earnings Credit Rate (ECR) floor is established at 0.75%. The ECR will be compared quarterly to the indexed rate of 3 month LIBOR. When rates rise to the point that the increase is beneficial to the State, the Contractor and the State will work together to ensure that a mutually agreeable ECR is established. The contractor will review and consider interest rates of various short term investments including US Treasury Bills, Fed Funds, LIBOR and other Short-term investments to establish and determine the ECR that will be offered to the State.

The earnings credit allowance shall be calculated as follows:

	Adjusted Positive Available Balance
X	Earnings Credit Rate (ECR)
X	Number of Calendar Days in the Month
/	Number of days in the calendar year (365 or 366)
=	Earned Credit

4. **Uncollected Funds Charge**

Contractor will provide daily coverage of any negative collected funds. A service charge for uncollected funds will be charged for any day(s) when an account has a negative collected balance, using the formula listed below. The uncollected funds rate is the Target Fed Funds rate plus 50 basis points (.50%), with a floor of 75 basis points (.75%). The state has the option to pay the uncollected funds charge with compensating balances.

$$\frac{\text{(Uncollected fund rate divided by 100) x (number of negative days) x (average daily negative collected balance)}}{\text{Number of days in the year (365)}}$$

5. **Charges**

The Contractor will assess charges for services performed that are listed in the attached Schedule of Fees.

If the State requests Contractor to perform a service that is not included in the attached Schedule of Fees, the Contractor and the State will agree on the charge to be assessed prior to the service being performed.

Contract prices will remain firm through the first three years of the initial five-year period of the contract. The Contractor must request a price adjustment, in writing, 30 days prior to the end of the first three years of the contract and annually on the same date thereafter. If the Contractor fails to request a CPI price adjustment 30 days prior to the adjustment date, the adjustment will be effective 30 days after the State receives their written request.

Price adjustments will be made in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index (CPI-W) for Urban Wage Earners and Clerical Workers, All Items, Anchorage Area. The price adjustment rate will be determined by comparing the percentage difference between the CPI in effect for the base year six month average for July through December 2013; and each July through December six month average thereafter. The percentage difference between those two CPI issues will be the price adjustment rate. No retroactive contract price adjustments will be allowed. The original July through December 2013 index will continue to be used as the base throughout the life of the contract.

Schedule of Fees

Services provided at no charge should are listed on the cost proposal form with a cost of NC.

AFP Code	Service Description	Per Item
Minimum ECR Floor		0.75%
00 02 30	Deposit Insurance Assessment Monthly	$0.12075*
01 00 00	Demand Deposit Account Maintenance	$ 5.00
01 00 21	Zero Balance Monthly Base per account	$ 6.6666
01 01 00	Debits Posted	$ 0.03
01 03 10	DDA Statement per account	N/C
01 04 10	Account Analysis per month for all accounts	$ 3.00 **
01 04 13	Analysis Statement Duplicates	N/C
01 04 99	Client Analysis Invoice	N/C
15 02 40	Payment Authorization max check monthly base	N/C
25 00 00	ACH Monthly Base	N/C
25 00 00	ACH Base Fee (Online system) per account	$ 5.00
25 01 00	Originated ACH debit Item	$ 0.0095
25 01 01	Originated ACH credit Item	$ 0.0095
25 01 30	Originated ACH Pre notifications	$ 0.0095
25 01 02	ACH Returns	$ 0.25
25 01 02	ACH Item (Online System)	$ 0.0095
25 01 20	ACH Originated - Addenda Record	$ 0.01
25 02 01	Electronic Debits/Credit posted	$ 0.03
25 02 02	ACH Received Item	$ 0.05
25 03 02	ACH Return Item-Info Reporting Advice	$ 0.50
25 03 02	ACH Return Item-Transmission Advice	$ 0.005
25 03 02	ACH NOC - Info Reporting Advice	$ 0.50
25 03 02	ACH NOC - File Transmission Advice	$ 0.005
25 05 00	ACH Batch Release (Online System)	$ 1.50
25 05 01	ACH Origination/Reject Data File	$ 1.65 ***
25 05 01	ACH Transmission Charge	$ 1.32 ***
25 06 20	ACH Delete Item	$ 5.00
25 06 22	ACH Exception Process-Duplicate File	N/C
25 06 42	ACH Reversal – Item	$ 5.00
25 07 10	ACH Fax Confirmation Service	$ 0.75
25 07 20	ACH Customer Reports	N/C
25 10 10	ACH Special Investigation	$ 5.00
25 10 50	ACH Fraud Filter Review Monthly Base	N/C
25 10 52	ACH Debit Block / Filter	$ 3.00
30 00 00	EDI Maintenance Origination Monthly Base	$ 75.00
30 00 00	EDI Maintenance Origination Monthly Base	$ 75.00
30 01 00	EDI Direct File Transmissions	$ 3.00
30 01 00	EDI Domestic ACH Entry Transmission	$ 0.02
30 02 99	EDI ACH Addenda	$ 0.01
40 00 00	BAI Previous Day Monthly Base	$ 10.00
40 00 00	BAI Transactions Reported	N/C
40 02 00	Daily BAI File Transfer Per Account	$ 41.6667 ****

Other Services

15 03 20	Check Filter Items Returned	$ 25.00
40 02 72	SinglePoint Current Day Reporting Per account	$ 10.00
40 02 72	SinglePoint Previous Day Reporting Per account	$ 10.00
25 06 11	SinglePoint ACH Adjustment Service	$ 5.00
25 00 00	SinglePoint ACH Positive Pay	N/C
35 00 00	SinglePoint Wire Transfer	N/C
35 05 21	SinglePoint Wire Drawdown Request	N/C
25 02 02	International ACH Received Item	$ 0.25
25 01 0K	International ACH Originated Item	$ 0.25
25 99 99	ACH File Confirmation Email	$ 0.25
25 10 70	ACH Notification of Change Received	$ 0.25
15 03 41	Overdraft per item	$ 30.00

Notes: *Cost is determined per thousand
**$3 total for all accounts per month
***$275 max per month
****$375 max per month