STANDARD CONTRACT FORM
Goods and Non-Professional Services

The parties' contract comprises this Standard Contract Form, as well as its referenced Articles and their associated Appendices

1. Agency Contract Number	2. Contract Title	3. Financial Coding	4. Agency Assigned Encumbrance Number
RAP 2015-0400-2978	Depository and Banking Services		

5. Vendor Number	6. Project/Case Number	7. Alaska Business License Number
		299500

This contract is between the State of Alaska,

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

9. Contractor

Wells Fargo Bank, National Association — hereafter the Contractor

Mailing Address	Street or P.O. Box	City	State	ZIP+4
Commercial Banking Group	301 W. Northern Lights Blvd.	Anchorage	AK	99503

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 (General Conditions), Items 1 through 18, 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 June 1, 2015, and ends May 31, 2020 with two (2) one-year renewal options.

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 $400,000.00 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 110406	Jesse Blackwell

12. CONTRACTOR	13. CONTRACTING AGENCY
Name of Firm Wells Fargo Bank, National Association	Department/Division Revenue / Treasury
Signature of Authorized Representative	Signature of Procurement Officer
Typed or Printed Name of Authorized Representative Jennifer E. Hile	Typed or Printed Name of Procurement Officer Michelle Prebula
Date 5/26/15	Date 05/27/2015

APPENDIX A

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:**
If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620-AS 36.30.632

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, licenses, permits and bonds.

10. **Conflicting Provisions:**
Unless specifically amended and approved by the Department of Law, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The contractor specifically acknowledges and agrees that, among other things, provisions in any documents it sees to append hereto that purport to (1) waive the State of Alaska's sovereign immunity, (2) impose indemnification obligations on the State of Alaska, 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:**
The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their 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 respective party. 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.

18. **Governing Law; Forum Selection**
This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

APPENDIX B[1]
INDEMNITY AND INSURANCE

Article 1. Indemnification

The Contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the Contractor under this agreement. The Contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency. If there is a claim of, or liability for, the joint negligent error or omission of the Contractor and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "Contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the Contractor and in approving or accepting the Contractor's work.

Article 2. Insurance

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with and be issued by insurers licensed to transact the business of insurance under AS 21.

2.1 Workers' Compensation Insurance: The Contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

2.2 Commercial General Liability Insurance: covering all business premises and operations used by the Contractor in the performance of services under this agreement with minimum coverage limits of $300,000. combined single limit per claim.

2.3 Commercial Automobile Liability Insurance: covering all vehicles used by the Contractor in the performance of services under this agreement with minimum coverage limits of $300,000. combined single limit per claim.

APPENDIX C
SCOPE OF SERVICES

Wells Fargo Bank, National Association ("Contractor") shall provide depository and related banking services described below. 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:

- Establish any bank accounts required by the state
- Process paper deposits for approximately 60 subaccounts used by state agencies
- Transmit a daily report of all bank transactions to Treasury for interface to the state's general ledger
- Process checks returned as Non-Sufficient Funds or for other reasons
- Provide currency and coins to state agencies
- Provide an online inquiry system for research of bank account balances and transactions
- Various standard banking services.
- Foreign Item processing
- Safe Deposit Boxes as needed

1. Depository Concentration

The Contractor will act as the State's alternate depository bank and perform all required depository services. The Contractor shall provide a demand deposit account that will serve as the State's depository concentration account. The Contractor will process and report deposits for various State programs and locations (subaccounts) of the depository concentration account. Deposits include but are not limited to cash, checks, money orders, travelers checks, wire transfers, and ACH transactions. The State reserves the right to transfer any of the subaccounts of the depository concentration account to another bank at the State's discretion.

The State requires all deposits and deposit-related transactions to include the appropriate subaccount number. The subaccount number is the State's primary mechanism for tracking deposits by department, agency and location. This information is essential for the accurate appropriation accounting required for state government.

The Contractor will process and report all deposit related transactions, including but not limited to various debit and credit adjustments, zero balance account transactions, returned items, collection items, and foreign exchange adjustments. The Contractor will make a 2nd attempt to deposit all Non-Sufficient Funds checks, including on-us checks.

The Contractor will provide other related banking services, such as safe deposit boxes, etc., as needed.

2. Other Accounts

The Contractor shall provide banking services for several state agencies that have special processing requirements. These agencies may include, but are not limited to the Department of Public Safety, Alaska Psychiatric Institute, and the Department of Corrections. Generally these accounts require a wide range of banking services such as check processing, zero balance accounts, depository services, wire transfers, ACH processing, and reporting for all banking transactions. The State reserves the right to transfer any of the special processing bank accounts to another bank at the State's discretion.

3. Third Party Fees

Any third party fees, such as courier or armored car fees, will be paid by the Contractor and billed to the State through the account analysis.

4. **Electronic Transactions**

The Contractor will provide an electronic funds transfer (EFT) system that can be accessed through the public internet. The State may generate wire transfers and Automated Clearing House (ACH) transactions using this system. The Contractor and the State will comply with all Federal Reserve regulations, National Automated Clearing House Association (NACHA) rules, and Office of Foreign Assets Control (OFAC) requirements when generating wires and ACH transactions.

5. **Collateralization**

All State deposits maintained with the Contractor must be monitored daily and collateralized at 110% to the extent that deposits exceed insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC). Collateral must be marked to market monthly. Acceptable collateral is defined as U.S. Treasury Bonds, Notes and Bills and debt securities guaranteed by the U.S. or its agencies or instrumentalities as follows:

- Debt Securities of the Federal Farm Credit System
- Debt Securities of the Federal Home Loan Banks
- Debt Securities of the Federal National Mortgage Association ("Fannie Mae")
- Debt Securities of the Government National Mortgage Association ("Ginnie Mae")
- Debt Securities of the Federal Home Loan Mortgage Corporation ("Freddie Mac")

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

6. **Reporting**

The Contractor will provide a variety of daily, monthly and ad hoc reports for the State's use. These reports will include a daily bank report, in BAI2 format, of the prior day's activity of the detail transaction activity and balance transactions for all State bank accounts as specified by the State Treasury. This report should be made available to the State via a secure, electronic delivery channel prior to 7:30 am Alaska Prevailing Time each business day. If the State notifies the Contractor that it is not able to pick up the daily file due to technical difficulties or an emergency, the Contractor will retain the file(s) until such a time that the State can resume normal operations. Other required reports include but are not limited to account statements, account analyses, paid check files, ACH activity files and check images.

7. **Negative Collected Balance**

The intent of the State is to maintain a positive collected balance in the depository concentration. However, there will be occasions when an account may become overdrawn. Upon discovery of an overdrawn account, the State will deposit funds to eliminate the negative collected balance.

8. **Confidentiality**

All information each party receives from or respecting the other in the performance of this agreement shall be received in confidence and shall not be disclosed to any other person except as such disclosure may be required by law or expressly permitted in writing by the other party.

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, such as new internet-based systems or features, new fraud prevention techniques, and advances in imaging technology.

If the State requires the Contractor 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.

10. **Bank Agreements**

In addition to the standard contract the contractor may request the State to enter into modified bank operating agreements for services they provide, e.g. ACH agreement, wire transfer agreement, stop payment agreement, etc. Bank operating agreements, modified to the satisfaction of the State, will be incorporated into this standard contract, provided that they do not conflict with the State's standard contract terms. If a dispute arises between bank operating agreements and the state's standard contract language, the state's standard contract agreement prevails.

11. **Termination**

The Project Director, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State.

The Contractor may terminate this contract for cause upon 90 days prior written notice to the State specifying the cause and date of the termination. The contractor will allow the State 90 days following the written notice to correct the condition to the satisfaction of the contractor. No such termination will affect the rights or obligations of either party arising under the contact prior to termination. The state is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

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 compensating balances for the purpose of providing payment to the Contractor for services performed under this contract. The State will inform the Contractor in advance of any changes in the compensation method.

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 plus or minus $5,000 net of all cumulative fees vs. Earnings Credit Allowances for all accounts combined.

2. **Compensating Balance Account**

The Contractor shall make available an account in which the State may maintain compensating balances. Earnings credits accruing on this account will offset fees accrued.

3. **Earnings Credits**

The earnings credit allowance and rate shall be calculated monthly using the following method and will be reported by the Contractor, along with any adjustments, on the account analyses:

The Contractor will review short term market rates, internal costs, and external factors on a semi-annual basis. These reviews will take place on the 12th and 6th months of each calendar year. Once these variables have been evaluated, it will be decided if the Contractor will increase the ECR. At any given time, the ECR will not be less than the Standard Bank Rate or less than zero.

The earned credit rate is variable based upon the average collected balance. The earned credit rate will be reset within 30 days of the prior quarter end, beginning 07-30-2015. The earned credit rate will adjust based upon the prior quarter average collected balance and the following grid. This grid is subject to bank review and updated annually upon the anniversary of this agreement.

TIER	Prior Quarter Avg. Collected Balances (non-interest bearing)	Earnings Credit Rate
1	>$30,000,000	0.40%- Floor Rate
2	>$15,000,000<$30,000,000	0.35%- Floor Rate
3	>$5,000,000<$15,000,000	0.30%- Floor Rate
4	<$5,000,000	Standard Bank Rate- Adjustable

4. **Uncollected Funds Charge**

The State will not be charged a flat fee for individual overdraft fees per occurrence.

The State has the option to pay the uncollected funds charge with compensating balances. A service charge for uncollected funds will be charged for any day(s) when an account has a negative collected balance, using the following formula:

The fee is calculated based on the following:

- The Wells Fargo base rate plus 3% (adjusted to an appropriate periodic rate) is applied to your average daily negative collected balance for the monthly statement cycle
- The average daily negative collected balance is the sum of the negative collected balances at the close of business on each day of the statement cycle divided by the number of days in the cycle

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 2014; 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 2014 index will continue to be used as the base throughout the life of the contract.

Cost Proposal Form

Services provided at no charge should also be listed on the cost form with a cost of NC. All one-time costs must be included in the cost proposal form.

The volumes listed are merely estimates and do not indicate a guarantee of what actual volumes may be.

SVC Code	AFP Code	Service Description	Estimated Monthly Volume	Per Item Fee	Updated Cost	Change in Cost	Extended Cost
IAMTH	00 0230	Recoupment Monthly	3000	0.12750	0.12750	0.00000	382.50
Cash Branch/Store Channel							
CK161	10 0015	Cash Deposited/$1 Ver at Teller Window	95621	0.00120	0.00150	0.00030	143.43
CK197	10 0140	Change Order Charge-Branch/Store	6	5.25000	5.25000	0.00000	31.50
CK141	10 0048	Currency Ordered/$1 - Branch/Store	790	0.00130	0.00130	0.00000	1.03
CK101	15 0511	Official Bank Check	1	8.00000	10.00000	2.00000	10.00
08052	10 0015	Store/Night Drop Deposit	242	0.00000	0.50000	0.50000	121.00
ACH							
ES344	25 0202	ACH Received Item	21	0.10000	0.15000	0.05000	3.15
34333	25 1050	ACH CEO Fraud Filter Review Monthly Base	1	7.50000	15.00000	7.50000	15.00
ES361	25 0642	ACH Reversal-Item	1	10.00000	10.00000	0.00000	10.00
General Account Services							
22051	01 0000	Account Maintenance-Chexstor	7	5.00000	11.00000	6.00000	77.00
DS001	01 0021	Zero Balance Monthly Base	1	5.00000	5.00000	0.00000	5.00
DS510	01 0020	Zero Balance Master Account Maintenance	1	0.00000	25.00000	25.00000	25.00
CK021	01 0100	Debits Posted	26	0.04000	0.12000	0.08000	3.12
CK018	25 0201	Electronic Credits Posted	5	0.04000	0.12000	0.08000	0.60
CK049	01 0310	DDA Statement- Paper	5	0.00000	5.00000	5.00000	25.00
CK040	01 0413	Client Analysis Statement Duplicate	1	5.00000	5.00000	0.00000	5.00
CK192	01 0499	Client Analysis Invoice	1	0.00000	0.00000	0.00000	0.00
08025	10 0015	Misc. Credits Posted	0	0.40000	0.40000	0.00000	0.00
General Disbursement Services							
22225	15 0240	Check Cashing Threshold Monthly Base	2	0.00000	0.00000	0.00000	0.00
22245	15 0240	Checks Pay To Individual Block Mthly Base	2	0.00000	0.00000	0.00000	0.00
22235	15 0240	OTC Debit Block Monthly Base	2	0.00000	0.00000	0.00000	0.00
MD091	15 0240	PYMT AUTH Max Check Monthly Base	2	0.00000	5.00000	5.00000	10.00
22202	15 0100	DDA Checks Paid	4	0.20000	0.16000	-0.04000	0.64

SVC Code	AFP Code	Service Description	Estimated Monthly Volume	Per Item Fee	Updated Cost	Change in Cost	Extended Cost
Image Delivery							
27707	15 0400	CEO Search	1	0.95000	0.99000	0.04000	0.99
12812	15 1352	Online Image View <90 Days-Iter	1	0.50000	0.50000	0.00000	0.50
Information Reporting							
CS502	40 0000	BAI Monthly Base	2	11.70000	15.00000	3.30000	30.00
CS504	40 0000	BAI Transactions Reported	257	0.01000	0.15000	0.14000	38.55
34100	40 0000	CEO Prev Day Subscription Monthly Base	6	15.00000	20.00000	5.00000	120.00
34115	40 0001	CEO Prev Day Item Loaded	362	0.00000	0.15000	0.15000	54.30
Paper Checks Deposited							
001	10 0220	Deposited Checks - On-Us	435	0.05500	0.15000	0.09500	65.25
002	10 0223	Deposited Checks	1056	0.00000	0.15000	0.15000	158.40
Returned Items							
CK062	10 0414	CEO Return Item Retrieval-Imag	5	1.50000	1.60000	0.10000	8.00
CK064	10 0414	CEO Return Item Service Mthly Base	1	0.00000	0.00000	0.00000	0.00
34235	10 0410	CEO Retn Item Subscription Per Acct	1	10.00000	10.00000	0.00000	10.00
34237	10 0410	CEO Retn Item Subscription Per Item	4	1.00000	1.50000	0.50000	6.00
CK061	10 0400	Returned Items - Chargeback	5	7.00000	7.00000	0.00000	35.00
CK069	10 0400	Return Item Special Instructions	5	0.25000	0.25000	0.00000	1.25
CK081	10 0401	Return Item Special Inst Mthly Base	1	0.00000	3.00000	3.00000	3.00
CK075	10 0402	Returned Items - Automatically Redeposited	1	1.00000	8.00000	7.00000	8.00
24253	15 0341	Overdraft Charge-Returned Iter	1	8.00000	8.00000	0.00000	8.00
24250	15 0340	Overdraft Charge-Paid Iter	0	0.00000	0.00000	0.00000	0.00
Other Services							
IL151	60 9999	Foreign Item Deposited	0	3.00000	3.00000	0.00000	0.00
IL152	60 9999	CAD Deposited Item	0	3.00000	3.00000	0.00000	0.00
ES139	35 0104	Wire-Outgoing Domestic-CEO	1	15.00000	15.00000	0.00000	15.00
ES030	35 0300	Wire IN Domestic	1	10.00000	10.00000	0.00000	10.00
7080	10 0000	ATM Deposit	0	0.04000	0.04000	0.00000	0.00
12670	15 0410	Stop Payment Online	0	10.00000	10.00000	0.00000	0.00