



## Council on Competitive Government

March 10, 2015

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Commission

Michael Farrell  
Vice President Sales, Public Sector  
US Bank / Corporate Payment Systems  
1745 RiverPark Dr.  
Dacula, GA 30019

**RE: Contract Renewal: Retail Fuel Card Services No. 946-C1**

Dear Contractor:

In accordance with the specified terms and conditions of the original Request for Offer, the State of Texas hereby exercises its option to renew the referenced contract for the second optional one-year period. Terms and conditions of the original contract will be unchanged through the term of the renewal period. **The term of this renewal is from May 1, 2015 through April 30, 2016**

If you have any contract questions, please contact David Bennett at the number or email listed below.

Sincerely,

A handwritten signature in black ink that reads "Chuks Amajor". The signature is written in a cursive, flowing style.

Chuks Amajor  
Director  
Texas Procurement and Support Services/Council on Competitive Government

Contact:

David B. Bennett  
Council on Competitive Government  
Comptroller of Public Accounts  
David.Bennett@cpa.texas.gov  
Phone: (512) 463-7817



Chuks Amajor  
Director

Central Services Building  
1711 San Jacinto Street  
Austin, Texas 78711-1440

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www.ccg.state.tx.us

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## Retail Fuel Card

The CCG Retail Fuel Card contract provides state agencies and local governments the opportunity to realize savings on fuel, maintenance purchases, and roadside assistance services through a fleet payment card program.

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### Awarded State Services

[CALIR Services](#)

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### Service Benefits and Features

- Form of payment for fuel, oil, maintenance, repairs and roadside assistance
- Net-out taxes for applicable fuel card purchases
- Fuel payments covered under a single invoice
- Cards can be issued to drivers or vehicles
- Robust management system and reporting capabilities
- Quarterly Rebate based on every dollar spent
- No annual fees
- \$50 maximum liability on fraudulent transactions
- \$0 liability for fraudulent transactions on lost or stolen cards was after reported to US Bank
- Free training for program administrators
- No charge for single, standard color logo cards
- Payment terms per Texas Prompt Payment Act

### Implementation Steps

To participate in the State of Texas Retail Fuel Card program, contact Terri Lewcun at (832) 486-1162 or email [terri.lewcun@usbank.com](mailto:terri.lewcun@usbank.com) to set up an account.

### Key Links

[Virtual Pay -- Kickoff, Instructions](#)

[Roadside Assistance](#)

[Retail Fuel Card FAQ's](#)

### Key Details

**Contract** [946-C1 Retail Fuel Card](#)

**Term** April 20, 2012 – April 30, 2014

**Vendor** [U.S. Bank Corporate Payment Systems](#)

**Vendor Contact** Terri Lewcun, Relationship Manager  
[terri.lewcun@usbank.com](mailto:terri.lewcun@usbank.com)  
(832) 486-1162

Primary Support Representative:

Account Representative: Anastasia ( Staci ) Young

Work Schedule: Monday through Friday 8:00 AM until 4:30 PM. CST:

### Related Links

#### Contract Documents

[Award Letter \[PDF\]](#)

[RFP \[PDF\]](#)

[Service Level Commitment \[PDF\]](#)

[Contract Renewal Letter March 2015 \[PDF\]](#)

[Contract Renewal Letter April 2014 \[PDF\]](#)

[Rebate Chart \(as of April 2014\) \[PDF\]](#)

#### Resources

[Voyager Acceptance Locator](#)

[Notice on Sales Tax](#)

[Exemption \[PDF, 262KB\]](#)

[Political Subdivision Form](#)

[Dispute Matrix \[PDF, 60KB\]](#)

[Dispute Form](#)

#### US Bank Newsletters

[US Bank Newsletter Vol. 1 \[PDF, 341KB\]](#)

[US Bank Newsletter Vol. 2 \[PDF, 381KB\]](#)

[US Bank Newsletter Vol. 3 \[PDF, 333KB\]](#)

[US Bank Newsletter Vol. 4 \[PDF, 319KB\]](#)

[US Bank Newsletter Vol. 5 \[PDF, 337KB\]](#)



Secondary Support Representative:  
Account Representative: Kristina Broockerd  
Work Schedule: Monday through Friday 7:30 AM to 4:00 PM, CST:  
[voyagerstate@usbank.com](mailto:voyagerstate@usbank.com)

**Managing Agency** Texas Procurement and Support Services (TPASS), P-Card Travel and Vehicle Management Program

**State Contact** [fuel.card.program@cpa.state.tx.us](mailto:fuel.card.program@cpa.state.tx.us)  
(512) 463-3435  
David Bennett  
[david.bennett@cpa.state.tx.us](mailto:david.bennett@cpa.state.tx.us)  
(512) 463-7817

**Required Plug-ins:**

[ [[Adobe Reader](#), [MS PowerPoint Viewer](#), [MS Word Viewer](#) ] ]

Contact the Council on Competitive Government by phone at (512) 463-3855.

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**RFP No. CCG-RFC-2011-002, Retail Fuel Card Services  
Attachment A to Award Letter**

**The parties to the above referenced contract agree to the following clarifications to the RFP and U.S. Bank's response:**

**1. Rebate Guarantee:**

U.S. Bank agrees to remove the 30 day client held requirement from its rebate conditions, and will agree to pay the State of Texas their earned rebate regardless of when payment is made by the State, provided that the agencies and political subdivisions pay according to the guidelines of State of Texas Prompt Payment Act.

**2. Account Minimum Waiver:**

U.S. Bank agrees to remove the \$250,000 minimum spend requirement for rebate participation for political subdivisions. All State agencies will be allowed to participate in the rebate offering regardless of size.

**3. Rebate Payment Process:**

U.S. Bank agrees to process rebates to all accounts (both State agency and political subdivision) via a quarterly credit to each individual account.

**4. U.S. Bank Voyager Fleet Enhanced Billing Capabilities:**

The U.S. Bank Voyager card management system provides the ability for the State to attach its own billing account strings down to the individual card or organization level. This capability will allow the State to submit payments and for those payments to be posted to accounts without the use of the original 9 or 16 digit card number. Voyager organizational levels can contain data elements up to 25 characters (alpha/numeric) long. Likewise, if the State wants to attach accounting strings down to the individual card level, the Voyager system contains 5 "User Code" fields tied to each card.

The User Code fields allow alpha/numeric data entry, and vary in length per the following: User Code 1 is 13 characters long; User Code 2 is 10 characters long; User Codes 3, 4 and 5 are all 8 characters long. Additionally, the Fleet Commander Online website allows users to customize the screens by renaming fields so that users will automatically recognize any fields the State requires for accounting codes.

**5. U.S. Bank Voyager Fleet State Government Collections Process:**

U.S. Bank understands that State accounts have unique accounting and payment processes, therefore these relationships are treated differently from our other client types. Our credit & collections policy for State accounts is as follows:

- At 45 days past due accounts receive a courtesy call to see if there is a billing problem or issue that needs to be resolved
- At 90 days, if the billing issue is not resolved, and there is no response from the agency or poly sub, U.S. Bank will make every commercially reasonable effort to notify the State

before temporarily suspending ; if the agency has responded with an explanation for the past due occurrence, the account will be left open

- At 360 days past due, the account will be subject to charge off

U.S. Bank will copy all notices referenced above to the official CCG point-of-contact for the Contract, and will consult on a periodic basis with the CCG regarding any delinquent accounts.

**6. Rebate Projections:** If, after the first year of program operation, the overall scope or utilization of the Fuel Card program governed by this contract can be demonstrated to differ greatly from the current projections, CCG agrees to work with U.S. Bank to re-evaluate the overall program economics and rebate conditions.

**7. Liquidated Damages:** The parties agree to omit RFP Section B.1.11, Liquidated Damages in its entirety and replace it with the following language:

Contractor acknowledges that the State may be damaged if Contractor fails to fulfill its obligations under the Contract, and that liquidated damages may be assessed against the Contractor as described below. Liquidated damages attach and will be payable from any funds established by Contractor, from any sums owed directly or indirectly to Contractor as a result of handling or accepting State funds, or from monies owed to Contractor under any other contract awards by the State.

The State shall notify Contractor in writing within thirty (30) calendar days of any failure to fulfill its obligations under the Contract, including associated liquidated damages. Upon receipt of written notice, Contractor will have ten (10) calendar days to provide a written explanation of any justification that may be applicable to the liquidated damages being considered, and to submit a corrective action plan for bringing the deficient operations within the standards specified by the contract.

The State shall have the right to approve and make changes to the corrective action plan submitted by the Contractor. The corrective action plan shall be implemented by the Contractor at no cost to and upon approval by the State. Liquidated damages will not be assessed during the specified cure period for the activity in question, including the agreed implementation of any final corrective action plan. The Contractor's failure to pay the assessed liquidated damages within the designated time frame may be deemed by the state as a breach of Contract.

Liquidated damages will be assessed for unexcused failures of the card to process a valid transaction at a retail location at \$500 per event each for 1-5, \$1500 per event each for 6-10, and \$5000 for any events over 10.

An 'unexcused failure' is any failure that is caused by personnel, systems, or equipment within the reasonable control of U.S. Bank or its employees, agents, subcontractors, vendors or suppliers in the provision of services under the Contract.

## **Addendum 1**

This Addendum 1 is part of the Attachment A to Award of Contract No. CCG-RFP-2011-002 ("the RFP") for Fleet Card services between the State of Texas ("the State") and U.S. Bank National Association ND ("U.S. Bank").

### **Essential Fleet Card Language**

U.S. Bank shall be the primary provider to the State of fleet cards and services pertaining to the fleet card program. U.S. Bank will establish fleet card accounts for the State and those of its agencies the State designated to U.S. Bank in the RFP ("Participants"). The agencies on this list rely upon the State for their annual funding as they are appropriated funds by the Texas Legislature to pay for the charges on the fleet card accounts issued to the employees of these agencies.

Cities, counties, school districts and other governmental entities ("Political Subdivisions") may also participate under this fleet card contract. These entities must be qualified on their own by signing a Political Subdivision Addendum. The list of eligible entities can be found at the following electronic URL address:

<http://www.window.state.tx.us/procurement/prog/coop/coopmemb/>.

Subject to approval by U.S. Bank, an Account Limit (an "AL") for each account and an Aggregate Product Limit (the "PL") for all accounts for the State and each Political Subdivision shall be established by U.S. Bank pursuant to this Contract. U.S. Bank, at its sole discretion, shall have the right to revise the PL or AL. U.S. Bank shall have the right to revise any AL upon 30 days prior written notice to the State Agency or Political Subdivision card account contact. U.S. Bank may temporarily revise any AL and/or limit spending activity on any account for which fraudulent activity is suspected. U.S. Bank shall provide notice as soon as practical to the State when outstanding balances on all cards total an amount that is within ten percent (10%) of the AL.

Notwithstanding the foregoing, U.S. Bank shall provide twenty (20) business days prior notice to the CCG Contract Manager of any possible decrease in an AL of the State or a Political Subdivision to an amount that is no lower than the AL's average usage for the previous six months ("Average Use Rate"). U.S. Bank agrees to work with the CCG in framing any communications to such Political Subdivision; provided, however, that such Political Subdivision will only be informed of a decrease in its AL no more than five (5) business days in advance of such decrease. U.S. Bank shall provide rationale to the CCG for the amount of the reduction. U.S. Bank shall involve the CCG Contract Manager in any case where a Political Subdivision is requesting an increase in an AL and U.S. Bank is unable to accommodate such request.

Subject to the terms of the Contract, the State or the Political Subdivision shall be liable for all purchases and other charges incurred or arising by virtue of the use of a fleet card. U.S. Bank will send to the State and each Political Subdivision a monthly billing statement which will itemize all charges for the billing period. The amount shown on the statement as "Total Payment Due" shall be due and payable in U.S. Dollars upon the State's or the Political Subdivision's receipt of the Statement. The statement, as well as the payment, can be viewed and paid online. Disputes regarding charges or billings must be communicated to U.S. Bank in writing and must be received by U.S. Bank within sixty (60) days after the date on the statement on which the disputed or incorrect charge first appeared.

The State and each Political Subdivision shall pay in accord with the terms of the Texas Prompt Payment Act (Tx. Government Code Chapter 2251). U.S. Bank shall handle all collection activity. While each account is unique, in most instances, phone calls will be made to accounts that are 30 days past due. These calls may be followed up with letters and other collection activities, as dictated by individual circumstances and the terms of the Contract.

Any account with an outstanding balance greater than ninety (90) days may be subject to account suspension. U.S. Bank will not assess finance charges to the State.

The Contract shall remain in full force and effect for an initial term of twenty four (24) months from the effective date and shall continue thereafter as provided by the renewal provisions of the RFP (section A.1.5) or until terminated either by the State upon thirty (30) days written notice or by U.S. Bank upon one hundred eighty (180) days written notice to the State. The effective date of termination shall be stated in such written notice of termination, but shall be no less than the stated notice period. All Fleet Cards and related accounts shall be deemed canceled effective upon termination of this Contract.

Notwithstanding the foregoing, U.S. Bank shall have the right to suspend any and all services and obligations under this Contract or to terminate this Contract immediately, by written notice of such termination to the State, in the event that: (i) the State has materially breached any term of this Contract; or (ii) the amount due from the State, as the result of purchases and other such charges, in the aggregate, exceeds the established PL for a period of greater than sixty (60) days. U.S. Bank shall provide the State thirty (30) days written notice of, and an opportunity to cure, any breach or exceeding of an established PL or AL.

Rights, obligations or liabilities, which arise prior to the suspension or termination of this Contract, shall survive the suspension or termination of this Contract.



### **Addendum 3**

This Addendum 3 is part of the Attachment A to Award of Contract No. CCG-RFP-2011-002 ("the RFP") for Fleet Card services between the State of Texas ("the State") and U.S. Bank National Association ND ("U.S. Bank").

## **U.S. BANK FLEET CARD PROGRAM PERFORMANCE VOLUME REBATE ADDENDUM**

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This Performance Volume Rebate Addendum ("**Rebate Addendum**") is entered into, by and between U.S. Bank National Association ND ("**U.S. Bank**") and the State of Texas ("**the State**"), and constitutes an addendum to the Award of the fleet services contract dated April \_\_, 2012 (the "**Contract**") between the State and U.S. Bank. This Rebate Addendum shall become effective upon signing by or on the behalf of U.S. Bank ("**Effective Date**").

U.S. Bank shall extend to the State the following revenue sharing opportunity:

1. U.S. Bank will pay to the State a portion of its aggregate Net Quarterly Charge Volume through a rebate ("**Volume Rebate**") based on the aggregate Net Quarterly Charge Volume. The Volume Rebate calculation will be made in accordance with Schedule A, attached hereto and made a part hereof.
2. Any Revenue Share payment made pursuant to this Rebate Addendum will be net of accumulated Charge-offs resulting from participation in U.S. Bank National Association ND programs regardless of whether the underlying Contract between the parties is valid or has been terminated.
3. U.S. Bank will calculate the aggregate Net Quarterly Charge Volume for the Addendum Quarter to find the Rebate Percentage on Schedule A for the Volume Rebate. Quarterly, U.S. Bank will multiply the Rebate Percentage by the Net Quarterly Charge Volume for that same Addendum Quarter for each account. The result will be the gross Revenue Share. U.S. Bank will subtract any Charge-offs that have not been subtracted at any time during any of the past Addendum Quarter(s) from the gross Revenue Share for each account. The result will be the net Revenue Share. Any Charge-offs in excess of the net Revenue Share from one (1) Addendum Quarter will be subtracted from one (1) or more of the following Addendum Quarters.
4. The first Revenue Share payment, if any, shall be made within ninety (90) days after the end of the first Addendum Quarter. The revenue share payment will be applied as a credit to the State, state agency or political subdivision's billing account. Subsequent calculations and payments, if any, shall be made in a similar fashion on each three (3) month anniversary of the first calculation. If any Revenue Share payment date falls on a non-business day, Revenue Share payments due shall be made on the next business day.
5. Provided the State begins transacting sales by 7/1/12, Voyager will guarantee a minimum of 170 basis points (1.70%) of net quarterly charge volume during year 1 of the contract regardless of Aggregate Net Quarterly Charge Volume for state, state agencies, and political subdivisions, unless a higher volume level is attained. "Year 1" shall be defined as the twelve month period beginning with the first card usage under the contract.
6. Capitalized terms used in this Rebate Addendum and not otherwise defined in this Rebate Addendum are used with the same respective meanings attributed thereto in the Contract. "**Account**" means any account number to which charges and payments may be posted. "**Charge-off**" means any amount due and owing to U.S. Bank or its Affiliates by the State that remains unpaid for three hundred sixty (360) days after the date that it was first billed. "**Fraudulent Charges**" means those Charges which are not initiated, authorized or otherwise requested by the State, its Affiliates, and/or a

Cardholder by any means (electronic, telephonic or written) and do not directly or indirectly benefit the State, its Affiliates, and/or a Cardholder. Fraudulent charges are limited to fifty dollars (\$50) per card. **"Net Quarterly Charge Volume"** means all charges set forth on the Statements furnished for all Accounts for the State and any participating state agencies or political subdivisions, less Fraudulent Charges, chargebacks, and amounts Charged-off by U.S. Bank with respect to such Accounts as uncollectible for each three (3) month period beginning with the first such period following the Effective Date of this Rebate Addendum (an **Addendum Quarter**). **"Revenue Share"** is the Volume Rebate. **"Rebate Percentage"** means the Volume Rebate Percentage.

7. If the Contract is terminated and/or the primary provider provision of the Contract is violated, in addition to any other remedies available to U.S. Bank, this Revenue Share opportunity shall immediately terminate and no Revenue Share shall be paid to the State other than Revenue Share that has already been earned prior to the termination.
  8. Except to the extent that the Contract is expressly or implicitly modified by this Rebate Addendum, all terms and conditions of the Contract remain in full force and effect.
  9. Along with each Revenue Share payment made under section 4, above, U.S. Bank shall report to the CCG Contract Manager the calculations used to determine the amount of the payment. U.S. Bank shall ensure that the level of detail contained in those reports is sufficient for the State to verify the Revenue Share calculations using internal state auditing resources or third party sources.
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**U.S. BANK FLEET CARD PROGRAM**  
**PERFORMANCE VOLUME REBATE ADDENDUM**

**SCHEDULE A**

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<b>Net Quarterly Charge Volume</b>	<b>Volume Rebate Percentage</b>
< \$6,250,000.00	1.1500%
\$6,250,000.00	1.2500%
\$7,500,000.00	1.3000%
\$8,750,000.00	1.3500%
\$10,000,000.00	1.4000%
\$11,250,000.00	1.4500%
\$12,500,000.00	1.5000%
\$13,750,000.00	1.5400%
\$15,000,000.00	1.7000%
\$16,250,000.00	1.7100%
\$17,500,000.00	1.7200%
\$18,750,000.00	1.7300%
\$20,000,000.00	1.7400%
\$21,250,000.00	1.7500%
\$22,500,000.00	1.7600%

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