

RFP Subject: PRICING Proposal to provide purchasing card (credit card) program for the State of West Virginia

RFP Number: AUD115000

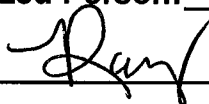
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**FIFTH THIRD BANK**

## Financial/Revenue Proposal

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*Our solution  
provides economic  
benefit to the State  
of West Virginia.*

### **Introduction**

Fifth Third Bank is excited to have the opportunity to propose our solution for your purchasing card program. With an emphasis on quality and proven experience, we will deliver an on-time and right-the-first time implementation, high quality card processing, and a single point of contact service model.

Our solution provides economic benefit to the State of West Virginia. Purchases made within the West Virginia's successful card program will generate rebates back to the state from Fifth Third Bank. These rebates allow the State to operate efficiently and realize a tangible benefit for the amount of card purchasing it conducts.

We are providing the State of West Virginia with a rebate structure based on realistic expectations of spend and speed-of-pay incentives to maximize the rebate. As the State grows its purchasing amount, the rebate rate will increase.

In addition to the rebate structure, Fifth Third is including a signing bonus to cover the States conversion expenses, marketing, and training to support a successful transition. We welcome any additional dialogue should the state wish to evaluate an alternative incentive model in which the upfront signing bonus is deferred into the recurring rebates.

## Financial/Revenue Proposal

### Price Table

The table below outlines the proposed rebate structure to the State of West Virginia.

<b>One Time Signing Bonus to West Virginia</b>	\$500,000
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Rebate Rate with Speed of Pay incentive					
SPEND LEVELS		30/25	30/15	30/5	Large Ticket Items
\$1,000,000	\$99,999,999	1.650%	1.700%	1.750%	0.500%
\$100,000,000	\$199,999,999	1.675%	1.725%	1.775%	0.500%
\$200,000,000	\$299,999,999	1.700%	1.750%	1.800%	0.500%
\$300,000,000	\$324,999,999	1.725%	1.775%	1.825%	0.500%
\$325,000,000	\$349,999,999	1.750%	1.800%	1.850%	0.500%
\$350,000,000	\$374,999,999	1.775%	1.825%	1.875%	0.500%
\$375,000,000	\$399,999,999	1.800%	1.850%	1.900%	0.500%
\$400,000,000	\$424,999,999	1.825%	1.875%	1.925%	0.500%
\$425,000,000	\$449,999,999	1.850%	1.900%	1.950%	0.500%
\$450,000,000	\$499,999,999	1.875%	1.925%	1.975%	0.500%
\$500,000,000	Greater	1.900%	1.950%	2.000%	0.500%

<b>Additional MasterCard Brand Rebate (Applicable to all levels)</b>	0.050%	0.050%	0.050%	0.050%
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Rebates are calculated based on annual volume (a calendar year calculation) of the State's purchasing program. They are payable on a quarterly basis.

The speed of payment incentive offered represents an additional 0.5 bps in rebate for each time 25, 15, or 5 day period. The speed of payment terms are not applicable for large ticket items. 0.50% is applied to all a large ticket items. All time periods less than 25 days require all billing accounts to be set up on Auto Debit for payment. Terms and conditions are subject to a Commercial Card Rebate Agreement.

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### **Additional Considerations**

The State of West Virginia may realize additional financial benefits through a relationship with Fifth Third. We offer:

- Working Capital Management improvements to days payable outstanding
  - Discounts to be taken for early payment
  - Extended days payable outstanding where no discount can be taken
- Decreased Bank Fees when displacing solutions
- Improved data for better vendor negotiations
- Efficiency Improvements

Finally, while the State's Purchasing Card program grows, we will make sure that the needs of the West Virginia suppliers are taken into account. Fifth Third Payment Solutions is interested in providing a solution to suppliers who either accept the West Virginia card today or would like to. The proposal would provide each supplier with an opportunity to enjoy a merchant acquirer discount rate which takes advantage of their part of a West Virginia supplier group.