



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Purchase Order

PURCHASE ORDER NO.  
 AUD052942

PAGE  
 1

BT

BLANKET RELEASE  
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CORRECT PURCHASE ORDER NUMBER  
 MUST APPEAR ON ALL PACKAGES,  
 INVOICES, AND SHIPPING PAPERS.  
 QUESTIONS CONCERNING THIS PUR-  
 CHASE ORDER SHOULD BE DIRECTED  
 TO THE BUYER AS NOTED BELOW.

CHANGE ORDER  
 2

SEE REVERSE SIDE FOR  
 TERMS AND CONDITIONS

ALL STATE AGENCIES  
 AND POLITICAL SUBDIVISIONS  
 VARIOUS LOCALES AS INDICATED  
 BY ORDER

09

FILE LOCATION 10907

\*802152658 302-683-4295  
 CITIBANK SOUTH DAKOTA NA  
 701 EAST 60TH STREET NORTH  
 SIOUX FALLS SD 57117

STATE AUDITOR'S OFFICE  
 BUILDING 1, ROOM W100  
 1900 KANAWHA BOULEVARD, EAST  
 CHARLESTON, WV  
 25305-0230 558-2251

| DATE PRINTED                                                                                                                                                                                                                                                                                                                         | TERMS OF SALE | FEIN/SSN      | FUND            |            |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|-----------------|------------|--------|
| 07/31/2008                                                                                                                                                                                                                                                                                                                           | NET 30        | 460358360     |                 |            |        |
| SHIP VIA                                                                                                                                                                                                                                                                                                                             | F.O.B         | FREIGHT TERMS | ACCOUNT NUMBER  |            |        |
| BEST WAY                                                                                                                                                                                                                                                                                                                             | DESTINATION   | PREPAID       | MUL-MUL         |            |        |
| LINE                                                                                                                                                                                                                                                                                                                                 | QUANTITY      | UOP           | VENDOR ITEM NO. | UNIT PRICE | AMOUNT |
|                                                                                                                                                                                                                                                                                                                                      | DELIVERY DATE | CAT.NO.       | ITEM NUMBER     |            |        |
| CHANGE ORDER #02<br><br>TO RENEW THE ORIGINAL CONTRACT ACCORDING TO ALL TERMS,<br>CONDITIONS, AND SPECIFICATIONS CONTAINED IN THE<br>ORIGINAL CONTRACT INCLUDING ALL AUTHORIZED CHANGE<br>ORDERS WITH THE EXCEPTION OF THE ATTACHED.<br><br>EFFECTIVE DATE OF RENEWAL: 11/10/2008<br>THROUGH 11/10/2010<br><br>RENEWALS REMAINING: 0 |               |               |                 |            |        |
| Purchasing Division's File Copy<br><b>ELJ</b><br><br><b>SCANNED</b><br><br>PURCHASING DIVISION<br>CERTIFIED ENCUMBERED<br>JUL 31 2008<br><br>ENTERED <i>Beverly Toler</i>                                                                                                                                                            |               |               |                 |            |        |
| PREVIOUS PO TOTAL==> OPEN END<br>PO NET CHANGE (+)==>                                                                                                                                                                                                                                                                                |               |               |                 |            |        |

IF APPROVAL AS TO FORM IS REQUIRED FOR APPROVAL BY ATTORNEY GENERAL, CHECK HERE  8/31/08

APPROVED FOR FISCAL YEAR  
*George Wayfield* 7-31-08

APPROVED AS TO FORM BY  
 ASSISTANT ATTORNEY GENERAL

JO ANN ADKINS 304-558-8802  
*JO ANN ADKINS* 7/31/08  
 PURCHASING DIVISION AUTHORIZED SIGNATURE

**GENERAL TERMS & CONDITIONS**  
**REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
5. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this Contract may be deemed null and void, and terminated without further order.
14. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
15. **WEST VIRGINIA ALCOHOL & DRUG-FREE WORKPLACE ACT:** If this Contract constitutes a public improvement construction contract as set forth in Article 1D, Chapter 21 of the West Virginia Code ("The West Virginia Alcohol and Drug-Free Workplace Act"), then the following language shall hereby become part of this Contract: "The contractor and its subcontractors shall implement and maintain a written drug-free workplace policy in compliance with the West Virginia Alcohol and Drug-Free Workplace Act, as set forth in Article 1D, Chapter 21 of the West Virginia Code. The contractor and its subcontractors shall provide a sworn statement in writing, under the penalties of perjury, that they maintain a valid drug-free work place policy in compliance with the West Virginia and Drug-Free Workplace Act. It is understood and agreed that this Contract shall be cancelled by the awarding authority if the Contractor: 1) Fails to implement its drug-free workplace policy; 2) Fails to provide information regarding implementation of the contractor's drug-free workplace policy at the request of the public authority; or 3) Provides to the public authority false information regarding the contractor's drug-free workplace policy."

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**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in case of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130



Citibank (South Dakota), N.A.

P.O. Box 6000  
Sioux Falls, SD 57117-6000

July 21, 2008

Office of the Auditor  
Glen B. Gainer III  
State Capitol, Building 1  
Charleston, WV 25305

IN RE: Modification of Commercial Cards Contract between State of West Virginia and  
Citibank (South Dakota), N.A.

Dear Mr. Gainer:

Citibank (South Dakota), N.A. ("Citibank") appreciates the award of the commercial card business of the State of West Virginia (the "State") through the State Auditor's Office. Your program has begun to experience strong growth and the relationship with Citibank can continue to assist the State in achieving its program goals. We are closing in on the end of Citibank's existing three year contract with the State (the "Contract"). The Contract also includes two option years, which if exercised, would extend the Contract through November 10, 2010.

The purpose of this letter is to propose a modification to the existing terms of the Contract to ensure uninterrupted program progress through the original Contract term and the two option years ending in November 10, 2010. The intent of this letter is to eliminate the option years provided for in the Contract, and instead extend the original Contract term through November 10, 2010, in order to allow the State's program management team to dedicate their full attention to program expansion.

We understand that you have had discussions with Robert Robbins, Vice President, Sales and Program Management- Citibank Commercial Cards, regarding proposed modifications to the Contract. In connection with these discussions with Mr. Robbins, Citibank hereby proposes the following specific offerings for the Contract modification:

- Eliminate the concept of option years provided for in the original Contract, and instead extend the original Contract term through November 10, 2010.
- Product line is an Integrated Card program permitting any combination of Purchase, Travel and Fleet. These transactions will qualify for rebate as proposed in this letter and accompanying Attachment A.

- The Electronic Account for Interagency purchases can charge a maximum discount rate of 1.25% of the transaction amount. This will permit a rebate to the State of .25% for the Electronic Account transactions.
- All other terms will remain the same as provided for in the original Contract.
- The proposed pricing is attached hereto as Attachment A and would be effective with transactions starting July 1, 2008 if this offering is executed by July 31, 2008.

Citibank looks forward to the continued strong relationship established with the State and developing creative solutions to continue growing the program. Please acknowledge your agreement with the foregoing by signing the enclosed copy of this letter in the place provided below and return an originally executed copy to Citibank (South Dakota), N.A., attn: Louise Sandoval, 701 E. 60th St. North, Sioux Falls, South Dakota 57117.

Please note that the information in this letter and Attachment A is provided to the State of West Virginia with the explicit understanding that it is proprietary and confidential to Citibank. Please also note that this letter and Attachment A may only be circulated within your organization among persons responsible for the business relationship between the State of West Virginia and Citibank.

Thank you for your consideration of this request and do not hesitate to contact Robert Robbins if you have any questions. Mr. Robbins can be reached at 302-683-4295 or by email at [robert.s1.robbins@citi.com](mailto:robert.s1.robbins@citi.com).

Sincerely,



Douglas Morrison  
Vice President & CFO

Agreed and Accepted as of this  
*24* day of July, 2008

State of West Virginia

By: 

Name: *MIKE HELTON*

Title: *ASST Controller*  
*WVSAO*

Attachment A  
Financial/Revenue Proposal

One Card, Central Bill Program includes the ability to have any combination of purchase, travel and fleet functionality on a single card.

**1. Payment Due Date:**

Monthly invoice option requires payment in full 25 days after billing statement date. The monthly invoice option means the program will cycle every 30 days. For rebate calculation purposes, annual sales volume associated with payments received after 25 days and balances carried on Accounts will not qualify for rebate.

**2. Late Payment Interest Rate:** Per State law

**3. Early Payment Incentive:**

**For the monthly invoice option** – Payments can be made as early as the third day after the billing statement date. The Bank will add 1 basis point for every day early (prior to 25) that the State remits payment. The grid below illustrates the State's rebate if it chooses the monthly invoice option and remits payment earlier than 25.

| Monthly Invoice              | Annual Spend Volume<br>=>\$250MM and <\$275MM |
|------------------------------|-----------------------------------------------|
| <b>Sales Refund</b>          | <b>151</b>                                    |
| Days Paid After Invoice Date | Total Refund Earned (Sales + Productivity)    |
| 25                           | 151                                           |
| 24                           | 152                                           |
| 23                           | 153                                           |
| 22                           | 154                                           |
| 21                           | 155                                           |
| 20                           | 156                                           |
| 19                           | 157                                           |
| 18                           | 158                                           |
| 17                           | 159                                           |
| 16                           | 160                                           |
| 15                           | 161                                           |
| 14                           | 162                                           |
| 13                           | 163                                           |
| 12                           | 164                                           |
| 11                           | 165                                           |
| 10                           | 166                                           |
| 9                            | 167                                           |
| 8                            | 168                                           |
| 7                            | 169                                           |
| 6                            | 170                                           |
| 5                            | 171                                           |
| 4                            | 172                                           |
| 3                            | 173                                           |
| Monthly Invoice              | Annual Spend Volume<br>=>\$275MM and <\$300MM |
| <b>Sales Refund</b>          | <b>153</b>                                    |

| <b>Days Paid After Invoice Date</b> | <b>Total Refund Earned (Sales + Productivity)</b> |
|-------------------------------------|---------------------------------------------------|
| 25                                  | 153                                               |
| 24                                  | 154                                               |
| 23                                  | 155                                               |
| 22                                  | 156                                               |
| 21                                  | 157                                               |
| 20                                  | 158                                               |
| 19                                  | 159                                               |
| 18                                  | 160                                               |
| 17                                  | 161                                               |
| 16                                  | 162                                               |
| 15                                  | 163                                               |
| 14                                  | 164                                               |
| 13                                  | 165                                               |
| 12                                  | 166                                               |
| 11                                  | 167                                               |
| 10                                  | 168                                               |
| 9                                   | 169                                               |
| 8                                   | 170                                               |
| 7                                   | 171                                               |
| 6                                   | 172                                               |
| 5                                   | 173                                               |
| 4                                   | 174                                               |
| 3                                   | 175                                               |

| <b>Monthly Invoice</b>              | <b>Annual Spend Volume =&gt;\$300MM and &lt;\$325MM</b> |
|-------------------------------------|---------------------------------------------------------|
| <b>Sales Refund</b>                 | <b>154</b>                                              |
| <b>Days Paid After Invoice Date</b> | <b>Total Refund Earned (Sales + Productivity)</b>       |
| 25                                  | 154                                                     |
| 24                                  | 155                                                     |
| 23                                  | 156                                                     |
| 22                                  | 157                                                     |
| 21                                  | 158                                                     |
| 20                                  | 159                                                     |
| 19                                  | 160                                                     |
| 18                                  | 161                                                     |
| 17                                  | 162                                                     |
| 16                                  | 163                                                     |
| 15                                  | 164                                                     |
| 14                                  | 165                                                     |
| 13                                  | 166                                                     |
| 12                                  | 167                                                     |
| 11                                  | 168                                                     |
| 10                                  | 169                                                     |
| 9                                   | 170                                                     |
| 8                                   | 171                                                     |

|   |  |     |
|---|--|-----|
| 7 |  | 172 |
| 6 |  | 173 |
| 5 |  | 174 |
| 4 |  | 175 |
| 3 |  | 176 |

| <b>Monthly Invoice</b>                  |                                                       | <b>Annual Spend Volume<br/>=&gt;\$325 and &lt;\$350MM</b> |
|-----------------------------------------|-------------------------------------------------------|-----------------------------------------------------------|
| <b>Sales Refund</b>                     |                                                       | <b>156</b>                                                |
| <b>Days Paid After Invoice<br/>Date</b> | <b>Total Refund Earned<br/>(Sales + Productivity)</b> |                                                           |
| 25                                      |                                                       | 156                                                       |
| 24                                      |                                                       | 157                                                       |
| 23                                      |                                                       | 158                                                       |
| 22                                      |                                                       | 159                                                       |
| 21                                      |                                                       | 160                                                       |
| 20                                      |                                                       | 161                                                       |
| 19                                      |                                                       | 162                                                       |
| 18                                      |                                                       | 163                                                       |
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| 14                                      |                                                       | 167                                                       |
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| 12                                      |                                                       | 169                                                       |
| 11                                      |                                                       | 170                                                       |
| 10                                      |                                                       | 171                                                       |
| 9                                       |                                                       | 172                                                       |
| 8                                       |                                                       | 173                                                       |
| 7                                       |                                                       | 174                                                       |
| 6                                       |                                                       | 175                                                       |
| 5                                       |                                                       | 176                                                       |
| 4                                       |                                                       | 177                                                       |
| 3                                       |                                                       | 178                                                       |

| <b>Monthly Invoice</b>                  |                                                       | <b>Annual Spend Volume<br/>=&gt;\$350MM</b> |
|-----------------------------------------|-------------------------------------------------------|---------------------------------------------|
| <b>Sales Refund</b>                     |                                                       | <b>157</b>                                  |
| <b>Days Paid After Invoice<br/>Date</b> | <b>Total Refund Earned<br/>(Sales + Productivity)</b> |                                             |
| 25                                      |                                                       | 157                                         |
| 24                                      |                                                       | 158                                         |
| 23                                      |                                                       | 159                                         |
| 22                                      |                                                       | 160                                         |
| 21                                      |                                                       | 161                                         |
| 20                                      |                                                       | 162                                         |
| 19                                      |                                                       | 163                                         |

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|----|--|-----|
| 18 |  | 164 |
| 17 |  | 165 |
| 16 |  | 166 |
| 15 |  | 167 |
| 14 |  | 168 |
| 13 |  | 169 |
| 12 |  | 170 |
| 11 |  | 171 |
| 10 |  | 172 |
| 9  |  | 173 |
| 8  |  | 174 |
| 7  |  | 175 |
| 6  |  | 176 |
| 5  |  | 177 |
| 4  |  | 178 |
| 3  |  | 179 |

#### 4. Rebates

The State shall be eligible for rebates according to the rebate parameters set forth below. Transactions associated with reduced large ticket interchange will qualify for a flat rebate rate of .50% (50 basis points). Annual sales volume will be calculated as purchases less returns, credits, cash advances and convenience checks. Rebates are net of all credit losses and, upon a Termination Event, net of the full outstanding balance due from the State under this Agreement and any other commercial card program between the Bank and the State or any of State's Affiliates. The Bank reserves all rights of setoff under applicable law.

If the cost of funds varies significantly, pricing may be subject to change. For every twenty-five (25) basis point increase in the Base Fed Funds rate, rebates will be decrease by a quarter of a basis point or .0025%. Rebates will not decrease by more than one and half basis points or .0150% for the remainder of the contract. For every twenty-five (25) basis point decrease in the Base Fed Funds rate, rebates will increase by a quarter of a basis point or .0025%. Rebates will not increase by more than one and half basis points or .0150% for the remainder of the contract. Base Fed Funds rate is that rate which is effective as of the date of this Agreement.

The rebate period will begin with transactions starting July 1, 2008 if this proposal is executed by July 31, 2008. Rebate payments will be remitted to the State of West Virginia quarterly. The sales volume at each rebate period will be annualized to determine the appropriate sales volume threshold for basis point calculation. At the end of each 12 month period, actual annual sales volume will be determined and the necessary adjustments will be made and included in the final quarter's payment.