



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

State of West Virginia
Master Agreement

Order Date: 2018-12-12

CORRECT ORDER NUMBER
 MUST APPEAR ON ALL PACKAGES,
 INVOICES, AND SHIPPING PAPERS.
 QUESTIONS CONCERNING THIS
 ORDER SHOULD BE DIRECTED TO
 THE DEPARTMENT CONTACT.

Order Number: CMA 0209 0209 FAR1700000001	Procurement Folder: 257810
Document Name: Master Agreement for Financing Services	Reason for Modification: Change Order No. 3 - issued to renew the contract and include the new ICE Fixed Rate indexing per the attached documentation.
Document Description: Statewide Contract for Financing Services	
Procurement Type: Statewide MA (Open End)	
Buyer Name: Linda B Harper	
Telephone: (304) 558-0468	
Email: linda.b.harper@wv.gov	
Shipping Method: Best Way	Effective Start Date: 2016-12-01
Free on Board: FOB Dest, Freight Prepaid	Effective End Date: 2019-11-30

VENDOR	DEPARTMENT CONTACT
Vendor Customer Code: 000000191232 BANC OF AMERICA PUBLIC CAPITAL CORP PO BOX 100918 ATLANTA GA 303840918 US Vendor Contact Phone: (804) 788-3345 Extension: Discount Percentage: 0.0000 Discount Days: 0	Requestor Name: David W Mullins Requestor Phone: (304) 558-0076 Requestor Email: dave.w.mullins@wv.gov

INVOICE TO	SHIP TO
ACCOUNTING SECTION DEPARTMENT OF ADMINISTRATION 2019 WASHINGTON ST E PO BOX 50121 CHARLESTON WV 25305-0121 US	FINANCE DIVISION DEPARTMENT OF ADMINISTRATION BLDG 17 2101 WASHINGTON ST E CHARLESTON WV 25305 US

Purchasing Division's File Copy

Total Order Amount	Open End
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12-13-18
 BAN

12/12/18

PURCHASING DIVISION AUTHORIZATION SIGNED BY: <i>[Signature]</i> DATE: 12/13/18 ELECTRONIC SIGNATURE ON FILE	ATTORNEY GENERAL APPROVAL AS TO FORM SIGNED BY: <i>[Signature]</i> DATE: ELECTRONIC SIGNATURE ON FILE	ENCUMBRANCE CERTIFICATION SIGNED BY: <i>[Signature]</i> DATE: 12-13-18 ELECTRONIC SIGNATURE ON FILE
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12/13/18

Extended Description:

Change Order No. 3 - To renew the original contract according to all terms, conditions, and specifications contained in the original contract and all authorized change orders including the new ICE Fixed Rate Indexing as defined in the attached documentation.

Effective date of renewal: 12/01/2018 - 11/30/2019

Renewals Remaining: 1

All provisions of the original Contract and subsequent Change Orders not modified herein shall remain in full force and effect.

No other changes.

Line	Commodity Code	Manufacturer	Model No	Unit	Unit Price
1	84101703				\$0.000000
	Service From	Service To			
	2016-12-01	2019-11-30			

Commodity Line Description: Financing Agreement

Extended Description:

Please see attached New Pricing Index; CO #3 - Pricing Page.

FAR170000001	Document Phase Draft	Document Description Statewide Contract for Financing Services	Page 3 of 3
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ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions



STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
FINANCE DIVISION
DAVID MULLINS, ACTING DIRECTOR

November 27, 2018

Charles T. Maguire, Senior Vice President
Banc of America Capital Corp.
1111 E. Main Street, 18th Floor
Richmond, VA 23219

RE: Contract Renewal FAR1700000001

Dear Mr. Maguire:

Per the email from Bank of America dated November 26, 2018, the WV Department of Administration Finance Division is offering to renew the subject contract with the New Pricing Index (attached) with all other terms and conditions and specifications as the current contract and all subsequent change orders. The renewal dates are December 1, 2018 through November 30, 2019. If your company agrees to this renewal, please sign below and return the original to my attention as soon as possible.

Also attached is a Purchasing Affidavit that is a required document and part of the renewal documents to be signed, dated, notarized and returned with this letter.

Please let me know if you have any questions.

Very truly yours,

David Mullins
Acting Director of Finance

We agree to renew the contract for the period as stated above under the same terms and conditions and specifications as the original contract and any subsequent change orders thereto with the only change being to the Pricing Index.

Name/Signature

11/28/18

Date

Authorized Agent

Title

Existing Index:

ICE Fixed Rate Indexing to Avg Life Swaps (as of 10/12/18):

A	B	C	D	E	F
Term (YRS)	ICE Swap Index Years	ICE Swap Rate*	Less Discount Premium (Expressed as Percentage)	Plus Fixed Spread/Base Points (Expressed as Percentage Point Increase)	Interest Rate (Percent Per Year)
3	2	3.046	0.6500	0.5526	2.5325
4	2	3.046	0.6500	0.6233	2.6032
5	3	3.114	0.6500	0.6142	2.6383
7	4	3.133	0.6500	0.6091	2.6456

*<https://www.theice.com/marketdata/reports/180>

New Index:

ICE Fixed Rate Indexing to Avg Life Swaps (as of 10/12/18):

A	B	C	D	E	F
Term (YRS)	ICE Swap Index Years	ICE Swap Rate*	Less Discount Premium (Expressed as Percentage)	Plus Fixed Spread/Base Points (Expressed as Percentage Point Increase)	Interest Rate (Percent Per Year)
3	2	3.046	0.7900	0.5526	2.9589
4	2	3.046	0.7900	0.6233	3.0296
5	3	3.114	0.7900	0.6142	3.0743
7	4	3.133	0.7900	0.6091	3.0842

*<https://www.theice.com/marketdata/reports/180>

Johns, Patty R

From: Maguire, Charles <charles.maguire@baml.com>
Sent: Monday, November 26, 2018 8:39 PM
To: Johns, Patty R; Montalvo Baron, Yvette M
Cc: Arnold, Bridgett; Coggi, Lisa A
Subject: RE: Renewal Letter for Financing Contract
Attachments: WVA Indexing_10-12-18_Refresh.xls

Patty, due to tax reform being implemented in Jan 2018, the corporate tax rates used in column "D" of our pricing index had to be adjusted from ".65" to ".79". The change to the index is shown on the attached spreadsheet which includes the existing index on top, and the new index below it.

Tax reform reduced the benefit we get from tax-exempt debt so when this was implemented in January of this year, this caused our economics to go almost negative on the indexed schedules we funded for the State in 2018. However, we were happy to continue the pricing up to the annual renewal but unfortunately cannot continue to do so without adjusting the index.

Please note that Tax reform affected all the banks, and while corporate tax rates went down, this reduction increased rates to tax-exempt issuers. In the index I sent you, we only adjusted for tax rate changes and kept the banks economics the same.

We really appreciate the master lease with the State, and we view it as a very successful partnership we value very much. I hope the State understands this was not in the Banks control but was a Federal tax change impacting our index.

Please call with any questions and once approved we can execute extension.

Thank you.

Chuck

From: Johns, Patty R [mailto:Patty.R.Johns@wv.gov]
Sent: Wednesday, October 10, 2018 8:52 AM
To: Montalvo Baron, Yvette M <yvette.m.montalvo_baron@baml.com>
Cc: Maguire, Charles <charles.maguire@baml.com>; Arnold, Bridgett <bridgett.arnold@baml.com>
Subject: Renewal Letter for Financing Contract

Yvette,