

AWARD/CONTRACT		1. Solicitation Number CFOPD-15-R-002		Page of Pages 1 55 + Attachments			
2. Contract Number CFOPD-17-C-009		3. Effective Date See 20C		4. Requisition/Purchase Request/Project No.			
5. Issued By Office of the Chief Financial Officer Office of Contracts 1100 - 4th Street, SW., Suite E610 Washington, DC 20024		Code		6. Administered By (If other than line 5)			
7. Name and Address of Contractor (No. Street, city, country, state and ZIP Code) Chase Paymentech 14221 Dallas Parkway Dallas, Texas 75254 Attn: Joseph Magliocco, Director, Business Development-Government <u>joseph.magliocco@chasepaymentech.com</u> 732-757-0135(o)		8. Delivery ☒ FOB Destination ☐ Other (See Schedule Section F)		9. Discount for prompt payment			
Code		Facility		10. Submit Invoices to the Address shown in Line 12 Item (2 copies unless otherwise specified)			
11. Ship to/Mark For Office of the Chief Financial Officer Office of Finance and Treasury 1101 4th Street, S.W. Washington DC, 20024		Code		12. Payment will be made by Office of the Chief Financial Officer Office of Management and Administration Financial Operations/Accounts Payable 1100 4th Street, SW Suite E600 Washington, DC 20024 oma.invoicing @dc.gov			
13. Contract Type Requirements with NTE Ceiling		14. Accounting and Appropriation Data					
15A. Item	15B. Supplies/Services	15C. Qty	15D. Unit	15E. Unit Price	15F. Amount		
1	Merchant Processing Services	1	Lot	NTE \$15,000,000.00	NTE \$15,000,000.00		
Total Amount of Contract					NTE \$15,000,000.00		
16. Table of Contents							
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Contracting Officer will Complete Item 17 or 18 as Applicable							
17 ☒ CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>1 pdf</u> copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)				18 ☐ AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. Name and Title of Signer (Type or print) PAUL BOUGENAT - VPCREDIT RISK				20A. Name of Contracting Officer Dorothy Whisler Fortune Esq. CPPO			
19B. Name of Contractor PAYMENTECH		19C. Date Signed 4/15/17		20B. District of Columbia <i>[Signature]</i>		20C. Date Signed 5/19/2017	
(Signature of person authorized to sign)				(Signature of Contracting Officer)			

SECTION B**PRICE SCHEDULE****B.1 GENERAL INFORMATION**

- B.1.1 The District of Columbia Office of the Chief Financial Officer, Office of Contracts (the District), on behalf of the Office of Finance and Treasury (OFT), hereby enters into this contract with Paymentech, LLC, (Contractor) a wholly owned-subsiidiary of JPMorgan Chase Bank, N.A., a national banking association (Member), to provide cardholder present and cardholder not present merchant card processing services. Hereafter, this contract number CFOPD-17-C-009 shall be referred to as “the contract”. The Select Government Merchant Payment Card Processing Agreement, incorporated herein by Section I.37, shall be referred to as the “Merchant Agreement” or, collectively with the contract, as “the Contract”.

B.2 CONTRACT TYPE

This is a requirements contract.

B.3 PRICING SCHEDULE

- B.3.1 The District will purchase its requirements of the services included herein from the Contractor. The estimated quantities stated in this Pricing Schedule reflect the best estimates available. The estimate shall not be construed as a representation that the estimated quantity will be required or that conditions affecting requirements will be stable. The estimated quantities shall not be construed to limit the quantities which may be required from the Contractor by the District or to relieve the Contractor of its obligation to fill all such requirements.
- B.3.2 The Contractor’s all-inclusive compensation for services required by and included in this Contract shall be as set forth in the attached Schedule A to this Agreement.

B.3.3 Base Period (Three Years)

CLIN	Description	Estimated Quantity	Unit Price	Extended Price
01	Payment Brand Fees (such as interchange, network fees, Payment Brand fines, assessments, penalties and costs of Payment Brand-imposed forensic examinations arising from Data Compromise Events caused by District) and Contractor's Fees on the Schedule A (including Chargeback processing fees, Refund processing fees, and voice authorization fees)			\$14,775,000.00
02	Transaction Fees	4,500,000 transactions	\$0.05 per transaction	\$225,000.00
Base Period Not to Exceed Total				\$15,000,000.00

B.3.4 Option Period One (Two Years)

CLIN	Description	Estimated Quantity	Unit Price	Extended Price
11	Payment Brand Fees (such as interchange, network fees, Payment Brand fines, assessments, penalties and costs of Payment Brand-imposed forensic examinations arising from Data Compromise Events caused by District) and Contractor's Fees on the Schedule A (including Chargeback processing fees, Refund processing fees, and voice authorization fees)			\$9,795,000.00
12	Transaction Fees	4,100,000 transactions	\$0.05 per transaction	\$205,000.00
Option Period One Not to Exceed Total				\$10,000,000.00

B.3.5 Option Period Two (Two Years)

CLIN	Description	Estimated Quantity	Unit Price	Extended Price
21	Payment Brand Fees (such as interchange, network fees, Payment Brand fines, assessments, penalties and costs of Payment Brand-imposed forensic examinations arising from Data Compromise Events caused by District) and Contractor's Fees on the Schedule A (including Chargeback processing fees, Refund processing fees, and voice authorization fees)			\$9,720,000.00
22	Transaction Fees	5,600,000 transactions	\$0.05 per transaction	\$280,000.00
Option Period Two Not to Exceed Total				\$10,000,000.00

B.3.6 Option Period Three (Two Years)

CLIN	Description	Estimated Quantity	Unit Price	Extended Price
31	Payment Brand Fees (such as interchange, network fees, Payment Brand fines, assessments, penalties and costs of Payment Brand-imposed forensic examinations arising from Data Compromise Events caused by District) and Contractor's Fees on the Schedule A (including Chargeback processing fees, Refund processing fees, and voice authorization fees)			\$9,620,000.00
32	Transaction Fees	7,600,000 transactions	\$0.05 per transaction	\$380,000.00
Option Period Three Not to Exceed Total				\$10,000,000.00

B.3.7 Option Period Four (Two Years)

CLIN	Description	Estimated Quantity	Unit Price	Extended Price
41	Payment Brand Fees (such as interchange, network fees, Payment Brand fines, assessments, penalties and costs of Payment Brand-imposed forensic examinations arising from Data Compromise Events caused by District) and Contractor's Fees on the Schedule A (including Chargeback processing fees, Refund processing fees, and voice authorization fees)			\$9,480,000.00
42	Transaction Fees	10,400,000 transactions	\$0.05 per transaction	\$520,000.00
Option Period Four Not to Exceed Total				\$10,000,000.00

B.3.8 Option Period Five (Two Years)

CLIN	Description	Estimated Quantity	Unit Price	Extended Price
51	Payment Brand Fees (such as interchange, network fees, Payment Brand fines, assessments, penalties and costs of Payment Brand-imposed forensic examinations arising from Data Compromise Events caused by District) and Contractor's Fees on the Schedule A (including Chargeback processing fees, Refund processing fees, and voice authorization fees)			\$9,290,000.00
52	Transaction Fees	14,200,000 transactions	\$0.05 per transaction	\$710,000.00
Option Period Five Not to Exceed Total				\$10,000,000.00

B.4 Ceiling Adjustment

The COTR will monitor the burn rate against the Not to Exceed amount stated in Section B.3 for each contract term and notify the Contracting Officer if, and when, the burn rate reaches seventy-five percent (75%) of the Not to Exceed amount for any contract term. The District will immediately provide written notice to the Contractor in the event (i) the burn rate reaches seventy-five percent (75%) of any Not to Exceed amount; and/or (ii) in the event any Not to Exceed amount has been reached (“Not to Exceed Notice”). Further, in the event any applicable Not to Exceed Amount has been reached and Contractor has been so notified under (ii) above, the Contractor shall suspend services under the Agreement and shall have no obligation to provide such services whatsoever, unless and until the parties agree to extend or increase any Not to Exceed amounts through an executed modification to the contract that increases the Not to Exceed amount and authorizes the Contractor to continue working. Notwithstanding the foregoing, the parties acknowledge and agree that Contractor will not have waived any cause of action arising from any Contractor’s Fees on the Schedule A Payment Brand Fees (as such terms are used and defined within the Base Period and Option tables in Section B.3 of the contract) or other liabilities imposed upon Contractor or Member by the Payment Brands or any other third parties as a result of processing any of the District’s Transactions under the Contract regardless of whether any such amounts arising from the District’s Transactions exceed any Not to Exceed amount.

SECTION C**DESCRIPTION/SPECIFICATIONS/WORK STATEMENT****C.1 SCOPE**

The Government of the District of Columbia (the District), Office of the Chief Financial Officer (OCFO) on behalf of the Office of Finance and Treasury (OFT) requires the Contractor to provide cardholder present and cardholder not present merchant card processing services.

C.2 BACKGROUND

- C.2.1 Under the authority of the District's Home Rule Act, Section 4 the Chief Financial Officer of the District is responsible for "maintaining the custody of all public funds belonging to or under the control of the District Government (or any department or agency of the District Government)". Under this authority, key functions of the Office of Finance of Treasury (OFT) are to manage the cash and other liquid assets of the District, coordinate payments to vendors and service providers, accept payments for services and taxes, manage District borrowing and debt repayment, manage merchant card processing, and oversee card receipt activities.
- C.2.2 The District is unique as it provides services that are typically delivered elsewhere by multiple levels of state, county, city and special taxing district governments. The District is moving toward a checkless payment and revenue collection environment, and bank card acceptance is one element in this overall plan to streamline revenue collection, speed receipt of payments, and lower overall banking costs while maximizing interest income. Bank card acceptance allows the District to:
- A. Respond to the public's demand for expanded payment options and convenience.
 - B. Enable government entities to achieve operational efficiencies.
 - C. Streamline revenue flow and improve cash management practices.
- C.2.3 The District accepts major nationally branded general purpose charge and credit cards (Discover, MasterCard, and Visa) for services provided by the District. The District may begin accepting American Express in the near future. In addition, the District will continue to accept all debit cards (both PIN and PIN-less) and electronic checks processed through the ACH or debit networks.
- C.2.4 The District utilizes a combined total of thirty-seven (37) active merchant accounts that accept credit/debit cards via over the counter, internet, and recurring payments. Some District agencies have been assigned more than one merchant account. Assignment of merchant IDs is based on location, unit or purpose of the revenue which assists with proper recordation in the District's general ledger. In addition, there are major streams of payments that flow through third parties for the Office of Tax and Revenue, the District Department of Transportation, and the District Office of Employment Services.
- C.2.5 The majority of the merchant accounts settle/deposit funds into the District's Credit Card Receipts account (currently held at Wells Fargo Bank). Some agencies have agency-specific

bank accounts to consolidate receipts and payments which assist with account reconciliation as well as to meet specific Federal reporting requirements.

- C.2.6 The District's over-the-counter receipts are processed via Open Solutions' web based cashiering application, iNovah, which utilizes Payflow Pro for the web interface and also interfaces to the District's general ledger system. Non-iNovah receipts are currently posted to the general ledger using manual processes. The District will be implementing a new general ledger system using Oracle technology in the future. In an effort to automate and streamline account reconciliation, the new general ledger system will allow a file transmitted from the processor to be downloaded by the District into Oracle with transaction data for selected merchant accounts.
- C.2.7 The third party processors that the District currently uses are the PayPal PayFlow Pro e-commerce solution to interface most District agencies' online websites to the current merchant processor and Authorize.net which is used by the Department of Public Works at their Fort Totten Transfer station. The District's goal is to have a single interface to the District's online websites for the first stop in all virtual terminal and internet-based transactions in the payment stream.
- C.2.8 The charts below provide further background on agency uses of card programs, equipment and interfaces deployed (Chart 1), as well as volume data (Chart 2).

Chart 1

District Operations Clusters	Agencies and Types Collections	Equipment/Interface
Higher Education	D.C. Public Library – Fines and fees paid by citizens	Payflow Pro
Government Services	District Department of the Environment (DDOE) – Environmental fees and fines	Payflow Pro
	Department of Public Works – Fees paid by citizens and businesses	Payflow Pro AUTHORIZENET(G/W)
	District Department of Transportation (DDOT) - Permits obtained by citizens and businesses	Payflow Pro
	Department of Motor Vehicles – Parking tickets, moving violations, driver's license, etc.	FD200 Ti, Payflow Pro, Destiny, eTims (Tempest from Tele Check)
Public Safety and Justice	DC FEMS Ambulance – Ambulance transportation fees	Eclipse Payment Terminal
	Chief Medical Examiner	Payflow Pro
	MPD – gun registrations	Payflow Pro, FD 200
Human Support Services	Department of Parks and Recreation – Pool fees from citizens and deposits for facility rentals	FD Mobile Pay, Payflow Pro

	Vital Records – Fees for certificates of death and birth requested by citizens	Payflow Pro
	DC Health Link – health exchange payments for small business and individuals	Payflow Pro
Economic Development and Regulation	Department of Consumer and Regulatory Affairs (DCRA) – Business licenses building permits, contract licenses	Payflow Pro
	D.C. Taxicab Commission – Cab fares	Payflow Pro
	Alcohol Beverage Regulation Administration (ABRA) – Alcohol licenses	Payflow Pro
Government Operations	Eastern Market – Rental fees paid by businesses	FD 400 GPRS. Payflow Pro
	Office of Motion Pictures TV – permits obtained by individuals and businesses	FD-100, Payflow Pro
	Office of the Chief Technology Officer – DC One Card service fees	Payflow Pro
	Office of Documents and Administration – paid by businesses and citizens	Payflow Pro
	Notary Commission and Authentication Services – Fees for services provided to citizens and businesses	Payflow Pro
	Health Regulation and License Administration – medical licenses obtained by businesses and individuals	Tranz 380 Terminal P900 Printer, Payflow Pro
DC Public Schools	Fees for after school programs	Payflow Pro
Office of Chief Financial Officer	Recorder of Deeds – copies of documents requested by businesses and citizens	Payflow Pro
	OFT Cashiers – Fees and fines and other for varied agencies	Payflow Pro

Chart 2

Card Type	FY2013	% by Type	FY 2014
	GROSS SALES		
Visa	\$58,795,998	68%	\$61,986,631
MasterCard	\$24,928,128	29%	\$26,280,882
Discover	\$1,375,345	2%	\$1,449,980
Debit	\$859,591	1%	\$906,238
Gross Sales	\$85,959,062	100%	\$90,623,730
	TRANSACTIONS		
Visa	414,056	68%	484,446
MasterCard	188,856	31%	220,962
Discover	7,394	1%	8,651
Debit	2,856	0%	3,342
Total Transactions	613,162	100%	717,400
	AVERAGE TICKET		
Visa	\$142		\$128
MasterCard	\$132		\$119
Discover	\$186		\$168
Debit	\$301		\$271
Average Ticket	\$140		\$126

C.2.9 The Office of Finance and Treasury reserves the right to approve or deny an agency's request to establish a merchant account for card acceptance.

C.2.10 The District anticipates additional revenue collection streams will potentially be brought under the Contract during the Contract term.

C.2.11 Definitions

1. Acquirer: An acquirer is a bank that processes and settles a merchant's credit card transactions with the help of a card issuer.
2. Authorization: In merchant accounts, authorization is the process that ensures the cardholder has sufficient funds available to cover a transaction.
3. Batch: A batch is a collection of credit card transactions stored on a merchant's processing equipment.
4. Cardholder: The cardholder is the owner of a card that is used to make credit card purchases through a merchant account.

5. Card network: Card processing networks, the largest of which are Visa, MasterCard, American Express and Discover, act as an intermediary between an acquirer and an issuer to authorize credit card transactions.
 6. Discount fee: A discount fee is a processing fee paid by merchants to acquirers to cover the cost of processing credit cards.
 7. Interchange and Network Fee: Interchange fees are charges paid by merchants to a credit card issuer and a card network as a fee for their services in allowing merchants to accept credit cards.
 8. Issuer: An issuer is a financial institution, bank, credit union, or company that issues or helps issue cards to cardholders.
 9. Merchant account: A merchant account is an agreement between a bank or third-party provider and a business that allows the merchant to accept credit and debit cards.
 10. Merchant account provider: A merchant account provider is a bank or other institution that provides merchant accounts to businesses that want to accept card-based payments.
 11. Payment gateway: A payment gateway service is used by merchants that accept credit cards online. Usually a combination of hardware and software, the service uses encryption to securely send credit card data to a merchant account provider.
 12. PCI standards: The credit card processing guidelines that every merchant and acquiring bank must comply with to ensure the safety of cardholders' data when completing a credit card transaction. PCI stands for Payment Card Industry, and the PCI Standards Council is a joint effort of Visa, AmEx, MasterCard, Discover, and JCB International.
 13. Convenience fee: Fee applied by the District to a transaction in which the fee is paid by the consumer.
- C2.12 The [Europay, Mastercard, Visa](#) (EMV) standard for card acceptance, commonly used in most international markets will become a standard in the United States (US). Visa and MasterCard have set October 1, 2015 as the EMV target compliance date for merchants accepting the cards, such as the District of Columbia government.
- C.2.13 The key component in the EMV discussion is its accompanying liability shift. This liability shift means that those issuers and merchants using non-EMV compliant equipment that choose to accept transactions made with EMV-compliant cards assume liability for any and all transactions that are found to be fraudulent. MasterCard defines the liability shift as: the party, either the issuer or merchant, who does not support EMV, assumes liability for counterfeit card transactions.
- C.2.14 This liability shift is concerning to the District. It means that the District must develop an action plan to become compliant. The implementation of accepting EMV-compliant cards through the District's various systems and purchasing the required equipment represents a

major expense. The District uses an integrated PCI PA-DSS cashiering solution and free standing machines for processing credit cards. The District will need advice and direction from its merchant services provider to procure the correct equipment that will be compatible with the processor's system.

C.3 REQUIREMENTS

- C.3.1 The Contractor shall perform payment card processing services (merchant processing) and no other banking services under the Contract, subject to mutual agreement between the Parties.
- C.3.2 The Contractor shall be able to deposit respective funds in more than one financial institution and/or bank account.
- C.3.3 The Contractor shall make available a payment gateway service and interface to the District's online websites for the first stop in all virtual terminal and internet-based transactions in the payment stream. The Contractor shall make available and assist District in establishing a single portal for citizens to make various payments (traffic tickets, fishing license, business license, etc.) using a shopping cart interfaced to multiple merchant accounts so payments are directed to the appropriate agency system and funds are deposited into appropriate bank accounts.
- C.3.4 [RESERVED]
 - C.3.4.1. Subject to applicable Payment Brand Rules, the Contractor shall collect convenience fees if applied to specific transactions by the District.
- C.3.5 The Contractor shall provide interfaces to certified and compliant Card Networks and third party processors, online access, point of sale (POS), and personal computer software already in use by each agency, as necessary for seamless implementation.
- C.3.6 The Contractor shall provide training for all District merchant account users. The training shall be reasonably designed to allow users to adequately navigate the online system.
- C.3.7 The Contractor shall provide email alerts of chargebacks and online chargeback dispute capability.
- C.3.8 The Contractor shall provide data transmissions in industry standard format, i.e. BAI2, ANSI, etc. used by Oracle's EBS system (District's future general ledger system). The District reserves the right to negotiate a standard rate and other terms and conditions directly with payment card issuer(s) to assure acceptance of all major cards.
- C.3.9 The Contractor shall provide the District the Contractor's implementation plan for commencement of required services.
- C.3.10 Subject to mutual, written agreement between the Parties, the District anticipates additional revenue collection streams will potentially be brought under the Contract during the Contract term. The Contractor may provide improvements such as tiered incremental pricing reductions based on tiered increases in processing volume.

C.3.11 Merchant Accounts and Hierarchy

1. The Contractor shall maintain a multiple-tier merchant hierarchy for the District. The basic scheme shall facilitate special invoicing and ad hoc reporting, but as a minimum, these tiers shall include:
 - a. Headquarters – Office of Finance and Treasury (OFT)
 - b. Agency Group (Cluster) - Groups of agency merchants sites within a single District program “Cluster”.
 - c. Individual outlet - Each outlet (merchant) usually has its own merchant number.
2. The merchant hierarchy shall be configurable for reporting and invoicing purposes for the District to issue separate invoices to specific agencies for merchant processing activities.
3. The Contractor shall establish and maintain all merchant accounts, to include merchant identification numbers (MIDs) and terminal identification numbers (TIDs). Accounts shall be established and ready for activation within twenty (20) business days of receiving a written request with necessary information from the authorized Office of Finance and Treasury personnel. The Contractor shall provide the authorized Office of Finance and Treasury personnel with MIDs and TIDs when the accounts are established.

C.3.12 Transaction Processing

1. Authorization. The Contractor shall:
 - A. Accept major nationally branded general purpose charge and credit cards (American Express, Discover, MasterCard, and Visa) and accept all debit cards (both PIN and PIN-less) and electronic checks processed through the ACH or debit networks.
 - B. Perform an exact validation on the credit card number and the credit card expiration date.
 - C. Support timeout reversal requests.
 - D. Ensure that each transaction is assigned a unique identification number that will be stored and remain with the transaction through the transaction cycle, including authorization, adjustments, settlement, funding and reconciliation.
 - E. Accept invoice numbers from District agencies’ processing systems to facilitate transparent processing of revenues and more efficient researching of returns and chargebacks.
 - F. Return an “accept” or “decline” message to the merchant within an industry-acceptable timeframe.
 - G. Support Address Verification Service (AVS) and Security Code data in authorization requests for transactions where either the card is not present or the magnetic strip is not readable.
 - H. Support adjustments (edits) and voids before transactions are settled.
 - I. Assign a unique identifier (reference number) to each authorization.
 - J. Perform bank routing and transit number verifications on electronic checks.
2. Settlement. The Contractor shall:

- A. [RESERVED]
 - B. Support both manual and automatic settlement of batches.
 - C. Cut off batch activity precisely when settlement occurs. Example: if a batch is manually settled once per day at 4:15 p.m., transactions processed at 4:16 will be part of the next day's batch as long as any such transactions are not settled prior to the end of day settlement cut-off time.
 - D. Generate a unique batch reference number, approval notification, and confirmation of settlement/non-settlement. The batch reference number shall stay with the batch throughout the payment cycle.
 - E. Allow the merchant to create batch settlement reports that provide both summary and detail information for all card types. At a minimum, report headers shall include the merchant's doing business as (DBA) name, merchant number, if applicable, the address. The body of the report shall include the settlement approval code and/or number and processing date.
 - F. Provide no later than two-day ledger credit for all batch settlements unless a shorter settlement option is otherwise available to the Contractor currently or in the future.
 - G. Have a procedure in place to handle suspended (failed) batch transmissions. The procedure shall include reporting requirements for notification to OFT that an agency's batch was not properly closed and transmitted for processing.
 - H. Forward all transactions for further processing to the card associations, alliance partners that support processing services, third-party providers or other entities, within 24 (twenty-four) hours so that the transactions qualify for the appropriate interchange categories without downgrading, thus incurring the lowest possible pass-through fees to the District.
3. Transmission of Data. The Contractor shall accept transaction data (authorizations and/or settlement batches) by any of the following means:
- i. Dial-up
 - ii. Dedicated/Leased Line
 - iii. Frame Relay (TCPIP/FTP Protocol)
 - iv. Terminal-based transmission (PIP and non-PIP): Plural Interface Processing (PIP) defines the process that routes via American Express (Amex) terminal or software Visa, MasterCard and Discover card transaction to a financial services provider and Amex transactions directly to Amex for both authorization and settlement. Non-PIP refers to protocols that are non-Amex specific.
4. Credits and Refund. The Contractor shall:
- A. Allow the District to issue credits to customers in the case of an error in payment amount, card number, refund required or other reason. The Contractor's system shall be able to process and obtain authorization of credit/debit card returns for partial or full credit and have dual control authorization capability. In addition, the Contractor shall provide capability to centralize, restrict and place ceilings on credits and refunds.
 - B. Provide separate reports at "headquarters", agency and program levels so that refunds may be mapped back to a specific agency location or entity and invoice number, with summaries and totals being possible at the agency level:
 - i. Headquarters – Office of Finance and Treasury (OFT)

- ii. Agency Group (Cluster) - Groups of agency merchants sites within a single District program "Cluster".
 - iii. Individual outlet - Each outlet (merchant) usually has its own merchant number.
5. Retrievals and Chargebacks. For the purpose of this Contract, retrieval is defined as a request for sales draft to support a transaction. A chargeback is defined as a transaction in which a cardholder disputes the validity of the transaction posted to his or her statement through the issuing bank. Once a chargeback is approved, the District reserves the right to cancel or withdraw any goods and services resulting from the original transaction. Thus, prompt notification from the Contractor is essential. The Contractor shall:
- A. Notify the merchant (or designated agency personnel) by e-mail alert about any retrievals and chargebacks that have been initiated by a cardholder's bank. Notification shall include the information available such as:
 - i. Original transaction date.
 - ii. Merchant DBA name.
 - iii. Merchant number.
 - iv. Transaction number.
 - v. Invoice number.
 - vi. Cardholder account number.
 - vii. Dollar amount.
 - viii. Reason for the chargeback.
 - ix. Letters or other documents from the cardholder.
 - B. Receive requested information from the merchant via fax, email or automated dispute system, and forward such information to the associations and/or card issuing bank as necessary. The Contractor shall confirm receipt of such faxes, emails or dispute entries.
 - C. [RESERVED]
 - D. Provide separate reports at "headquarters", agency and program levels so that chargebacks may be mapped back to a specific agency location or entity and invoice number, with summaries and totals being possible at the agency level:
 - i. Headquarters – Office of Finance and Treasury (OFT)
 - ii. Agency Group (Cluster) - Groups of agency merchants sites within a single District program "Cluster".
 - iii. Individual outlet - Each outlet (merchant) usually has its own merchant number.

C.3.13 Reporting

- 1. OFT will be responsible for managing access to information by the agencies. The Contractor shall provide OFT the ability to assign access capabilities to the agencies via an online reporting system. This includes assigning viewing rights, as necessary. The intention is to ensure that District agencies have access only to information that is germane to their own operations. Only the authorized Office of Finance and Treasury personnel shall have unrestricted, complete access.

2. The District requires reports that deliver timely and accurate information in order to manage its overall bank card acceptance program. The Contractor shall provide two basic types of reports to the District, standard reports and ad-hoc reports that are generated as reasonably requested for specific and non-routine purposes.
3. All reports, including ad-hoc reports, that are required to be obtainable shall be obtainable by the District via the Contractor's online data warehouse system and shall be available for download and viewing via, at minimum, Microsoft Excel (current version) and tab delimited text file format.
4. All reports that are required to be emailed to the District shall be sent in pdf format.
5. The Contractor shall provide the following standard reports:
 - A. Headquarters Summary Report. This District-wide rollup report shall be obtainable by and emailed monthly to authorized Office of Finance and Treasury personnel. This report is significant to the District as a key document for approving the Contractor's invoice. The report shall contain the following:
 - i. Summary transaction and deposit information for each merchant ID
 - ii. Summary (rollup of all merchant summaries) transaction and deposit information for the District-wide relationship
 - iii. Summary of interchange qualifications and pass-through fees
 - iv. Hardware rental and/or purchase information and fees
 - v. Special programming information and fees
 - vi. Funding information – gross and net deposits for the month
 - vii. Refunds or adjustments due to the District
 - viii. Chargeback returns by agency merchant ID
 - ix. Returns by agency merchant ID
 - B. Merchant Summary Report. This report shall also be obtainable monthly by the individual merchant (or a central office for a group of merchants). The report shall provide the same information as the Headquarters Summary Report, but at the individual merchant level and by date. The sum of all data shown on Merchant Summary Reports shall equal the data shown on the Headquarters Summary Report.
 - C. Daily Funding Report. This is the report of the aggregate gross deposit. This figure represents the gross amount that was settled by District merchants the previous business day and that will "hit" the District's Demand Deposit Account (DDA) that day. This report is available via the online reporting tool. The report shall be timely and accurate, as this information is factored into the District's daily cash position.
 - D. SSAE 16 Report. Subject to the parties' execution of a written, mutually-acceptable Non-Disclosure Agreement and upon request, Contractor shall provide, via email, on a yearly basis (due at the end of the District's Fiscal Year) its most recent audit report produced in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16.

6. Retention

The Contractor shall retain a copy of all standard reports for at least a twelve month period. The Contractor shall safeguard all stored reports, particularly reports that contain cardholder information, in compliance with PCI guidelines, associated regulations and federal laws.

C.3.14 PCI Data Security Standards

1. The Contractor shall maintain card data security and protection in accordance with industry standards for speed, encryption and overall security protection that are associated with merchant processing. Such standards include, but are not limited to PCI standards. In the event of Data Compromise Event (as defined in the Agreement) resulting in the unauthorized disclosure or access to Transaction Data or Payment Instrument Information in possession or control of Contractor, the Contractor will comply with any applicable laws or regulations, including without limitation any relating to notifying Customers of such Data Compromise Event.
2. The Contractor shall obtain and maintain at all times, and upon the District's reasonable request, which shall occur no more than one (1) time per year, Contractor shall provide the District with an attestation letter of compliance from its independent PCI assessor indicating compliance with or maintenance of any mandatory certifications that are relevant to the District's merchant processing, including PCI certification and any front-end processors to conduct the following activities:
 - i. Point-of-Sale terminal-based transactions
 - ii. MOTO terminal-based transactions
 - iii. MOTO PC-based transactions (using IC Verify, for example)
 - iv. Internet transactions
 - v. Mobile transactions
 - vi. Voice Response Unit (voice or touch-tone)

C.3.15 EMV Requirements

1. The Contractors shall ensure that its systems support merchant Europay, MasterCard, Visa (EMV) chip acceptance for both contact and contactless EMV chip transaction processing.
2. The Contractor shall carry and process the additional data that is included in EMV chip transactions, including the cryptographic message that makes each transaction unique.
3. The Contractors shall support authorization messages both at the host and POS level, related chip fields, and all other EMV chip transactions processing requirements instituted by the card network.

4. The Contractor shall ensure that downstream connections to the Contractor's platform also support EMV chip transactions.
5. The Contractor shall maintain a policy regarding domestic and cross-border counterfeit liability shift associated with EMV chip transactions.
6. The Contractor shall provide consultation to the District regarding the correct EMV complaint equipment that the District must procure to be compatible with the Contractor's system.
7. The District will ship equipment to the Contractor for configuration. The Contractor shall return to the District properly configured equipment for EMV chip transaction processing by the Contractor. The District will cover the shipping costs of new equipment to the Contractor for configuring and properly configured equipment from the Contractor to the District.
8. The Contractor shall provide the District with expertise and guidance regarding EMV compliance among the District's merchants. This service shall be at no additional cost to the District.
9. The Contractor's system shall be able to process both magnetic swipe and EMV chip transactions.

SECTION D

PACKAGING AND MARKING

D.1 PACKAGING

All reports and deliverables that are “hard copy” and physically transported through the U.S. mail or private courier services are to be securely packaged using the Contractor’s best practices.

D.2 MARKING

Unless otherwise specified herein, all reports and deliverables delivered under this Contract must be plainly marked, stating the Contractor’s name, contract number and addressed to the recipient, including the name of the office or floor, and the recipient’s office telephone number as noted in the contract.

In case of carload lots, the Contractor shall tag the car, stating Contractor’s name and contract number. Any failure to comply with these instructions will place the material at the Contractor’s risk.

Deliveries by rail, water, truck or otherwise, must be within the working hours and in ample time to allow for unloading and if necessary, the storing of the materials or supplies before closing time. Deliveries at any other time will not be accepted unless specific arrangements have been previously made with the contact person identified in the contract at the delivery point.

SECTION E

INSPECTION, ACCEPTANCE AND WARRANTY OF SERVICES

E.1 INSPECTION

E.1.1 All supplies and services provided by the Contractor under this Contract shall be subject to inspection by the Contracting Officer's Technical Representative ("COTR") identified in Section G.1(b).

E.1.2 Inspection of Supplies

- (a) Definition. "Supplies," as used in this clause, includes, but is not limited to raw materials, components, intermediate assemblies, end products, and lots of supplies.
- (b) The Contractor shall be responsible for the materials or supplies covered by this Contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notification of rejection. Upon the Contractor's failure to cure within ten (10) days after date of notification, the District may return the rejected materials or supplies to the Contractor at the Contractor's risk and expense.
- (c) The Contractor shall provide and maintain an inspection system acceptable to the District covering supplies under this Contract and shall tender to the District for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the District during contract performance and for as long afterwards as the Contract requires. The District may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the Contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under this Contract.
- (d) The District has the right to inspect and test all supplies called for by the Contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. The District will perform inspections and tests in a manner that will not unduly delay the work. The District assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in the Contract.
- (e) If the District performs inspection or test on the premises of the Contractor or subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the Contract, the District will bear the expense of District inspections or tests made at other than Contractor's or subcontractor's premises; provided, that in case of rejection, the District will not be liable for any reduction in the value of inspection or test samples.

- (1) When supplies are not ready at the time specified by the Contractor for inspection or test, the Contracting Officer may charge to the Contractor the additional cost of inspection or test.
 - (2) Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes re-inspection or retest
- (f) The District has the right either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material or workmanship or otherwise not in conformity with contract requirements. The District may reject nonconforming supplies with or without disposition instructions.
- (g) The Contractor shall remove supplies rejected or required to be corrected. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and when required, shall disclose the corrective action taken.
- (h) If the Contractor fails to remove, replace, or correct rejected supplies that are required to be replaced or corrected within ten (10) days, the District may either (1) by contract or otherwise, remove, replace or correct the supplies and charge the cost to the Contractor or (2) terminate the Contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
- (i) If this Contract provides for the performance of District quality assurance at source, and if requested by the District, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the Contract, and (ii) when the supplies will be ready for District inspection.
- (j) The District request shall specify the period and method of the advance notification and the District representative to whom it shall be furnished. Requests shall not require more than 2 business days of advance notification if the District representative is in residence in the Contractor's plant, nor more than 7 business days in other instances.
- (k) The District will accept or reject supplies as promptly as practicable after delivery, unless otherwise provided in the Contract. District failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability upon the District, for non-conforming supplies.
- (l) Inspections and tests by the District do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross

mistakes amounting to fraud, or as otherwise provided in the Contract.

- (m) If acceptance is not conclusive for any of the reasons in subparagraph (l) hereof, the District, in addition to any other rights and remedies provided by law, or under provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor's plant at the Contracting Officer's election, and in accordance with a reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in contract price if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or noncompliance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor's plant and return to the original point when that point is not the Contractor's plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the District will have the right to return the rejected materials at Contractor's risk and expense or contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the District thereby.

E.1.3 [RESERVED]

E.2 ACCEPTANCE

Review of all services provided under this Contract shall be performed by the District to determine if it is in accordance with the requirements of the Contract. Acceptable means that at the time the services were performed, they were performed in accordance with the Contract.

E.3 WARRANTY OF SERVICES

- E.3.1 The time period for this warranty provision is the life of the Contract plus all active options and extensions.
- E.3.2 Warranty Provision. Notwithstanding acceptance by the District or any provision concerning the conclusiveness thereof, the Contractor warrants that all services performed under this Contract will, be in accordance with the Contract.

SECTION F

DELIVERABLES / PERFORMANCE

F.1 CONTRACT PERIOD

- F.1.1. Base Period. The base period shall begin on the date of the Contracting Officer's signature and end three (3) years thereafter.
- F.1.2. Options to extend. The District may extend the term of this Contract for five (5), two-year option periods, or successive fractions thereof, by written notice to the Contractor at least thirty (30) days prior to the expiration of the Base Period or any extended term. Any preliminary notice does not commit the District to an extension which is subject to Section I.21 at the time of the exercise of this option.
- F.1.3. If the District exercises this option, the extended contract shall be considered to include this option provision.
- F.1.4. The price for the option period shall be as specified in the effective Schedule A to the Contract, and Section B of the contract.

F.2 DELIVERABLES

All deliverables shall be submitted in accordance with the statement of work in Section C. Reports that are required under the Statement of Work in Section C of this contract are to be submitted to the District as a deliverable(s) and shall be delivered in accordance with such Statement of Work contained in Section C of this contract.

SECTION G**CONTRACT ADMINISTRATION DATA****G.1 CONTRACT ADMINISTRATION****(a) Contracting Officer**

The Contracting Officer for this contract is:

Ms. Dorothy Whisler Fortune
Director and Chief Procurement Officer
Office of Contracts
Office of Management and Administration
Office of the Chief Financial Officer
1100 4th Street SW Suite 610 East
Washington, DC 20024
Phone: 202-442-8078
Email: dorothy.fortune@dc.gov

The Contracting Officer is the ONLY official authorized to legally bind the District or make changes to the terms and conditions of this Contract. Only he or his designee can increase, decrease, extend or terminate this agreement. All other changes are unauthorized.

(b) Contracting Officer Technical Representative (COTR)

The COTR for this Contract will maintain a close relationship with the Contractor and will ensure that the Contractor's work conforms to the day-to-day technical requirements of the Contract. **It is understood and agreed that the COTR shall not have authority to make changes in the scope or terms and conditions of the Contract.** The COTR is:

Valencia Gregory,
Program Analyst
OCFO, Office of Finance & Treasury
1101 4 Street, S.W., Suite W850
Washington, D.C. 20024
202-727-6055 main
202-727-6260 direct
202-727-2299 fax

G.2 INVOICE PAYMENT

Section 4.4 of the Merchant Agreement shall control with respect to settlement proceeds to the District and payment of fees to Contractor. To the extent Contractor maintains or can accommodate a commercially reasonable system or process for invoicing fees or other amounts

due to Contractor under the Schedule A attached to this Contract during any effective term, such system or process will be made available to the District.

G.3 [Reserved]

G.4 THE QUICK PAYMENT PROVISIONS

G.4.1 INTEREST AND PENALTIES TO CONTRACTORS

G.4.1.1 The District will pay interest penalties on amounts due to the Contractor under the Quick Payment Act, D.C. Official Code §2-221.01 *et seq.*, for the period beginning on the day after the required payment date and ending on the date on which payment of the amount is made. Interest shall be calculated at the rate of 1.5% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before the 15th day after the required payment date for any other item.

G.4.1.2 Any amount of an interest penalty which remains unpaid at the end of any 30-day period shall be added to the principal amount of the debt and thereafter interest penalties shall accrue on the added amount.

G.4.2 PAYMENTS TO SUBCONTRACTORS

G.4.2.1 The Contractor shall take one of the following actions within 7 days of receipt of any amount paid to the Contractor by the District for work performed by any subcontractor under a contract:

- a. Pay the subcontractor for the proportionate share of the total payment received from the District that is attributable to the subcontractor for work performed under the contract; or
- b. Notify the District and the subcontractor, in writing, of the Contractor's intention to withhold all or part of the subcontractor's payment and state the reason for the nonpayment.

G.4.2.2 The Contractor shall pay any lower-tier subcontractor or supplier interest penalties on amounts due to the subcontractor or supplier beginning on the day after the payment is due and ending on the date on which the payment is made. Interest shall be calculated at the rate of 1% per month. No interest penalty shall be paid if payment for the completed delivery of the item of property or service is made on or before the 15th day after the required payment date for any other item.

G.4.2.3 Any amount of an interest penalty which remains unpaid by the Contractor at the end of any 30-day period shall be added to the principal amount of the debt to the subcontractor and thereafter interest penalties shall accrue on the added amount.

G.4.2.4 A dispute between the Contractor and subcontractor relating to the amounts or entitlement of a subcontractor to a payment or a late payment interest penalty under the Quick Payment Act does not constitute a dispute to which the District of Columbia is a party. The District of

Columbia may not be interpleaded in any judicial or administrative proceeding involving such a dispute.

G.5 ASSIGNMENT OF CONTRACT PAYMENTS

- G.5.1 The Contractor may assign funds due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution.
- G.5.2 Any assignment shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party.
- G.5.3 Notwithstanding an assignment of contract payments, the Contractor, not the assignee, is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the assignment and must show that payment of the invoice is to be made directly to the assignee as follows:

Pursuant to the instrument of assignment dated _____,

make payment of this invoice to _____
(name and address of assignee).

G.6 FIRST SOURCE AGREEMENT REQUEST FOR FINAL PAYMENT

- G.6.1 For contracts subject to the 51% District Residents New Hires Requirement and First Source Employment Agreement, final requests for payment shall be accompanied by the report or a waiver of compliance pursuant to Section I.31.
- G.6.2 No final payment shall be made to the Contractor until the CFO has received the Contracting Officer's final determination or approval of waiver of the Contractor's compliance with 51% District Residents New Hires Requirement and First Source Employment Agreement requirements.
- G.7 [RESERVED]

SECTION H

SPECIAL CONTRACT REQUIREMENTS

H.1 STAFFING

The Contractor shall not employ or permit the employment of any unfit or unqualified person or persons not skilled in the tasks assigned to them by the contractor. The Contractor shall at all times employ sufficient labor to carry out functions and services in the manner and time prescribed by the Contract. The Contractor shall be responsible to the District for all acts and omissions of the Contractor's employees, agents and subcontractors and the Contractor shall enforce strict discipline among the Contractor's employees, agents and subcontractors performing the services under the Contract. Any person employed by the Contractor shall, at the reasonable written request of the District, be removed immediately by the Contractor from work relating to the Contract.

H.2 SUBCONTRACTS

The Contractor hereunder shall not subcontract any of the Contractor's work or services to any subcontractor without the prior, written consent of the Contracting Officer in consultation with the COTR; provided such consent shall not be unreasonably withheld or delayed. Any such subcontract shall specify that the Contractor and the subcontractor shall be subject to every provision of this Contract. Notwithstanding any such subcontract approved by the District, the Contractor shall remain liable to the District for all Contractor's work and services required hereunder, including any work conducted by a subcontractor. Notwithstanding the forgoing, Contractors "subcontractors" for purposes this Section H.2 means an entity that is contracted directly with and used directly by Contractor to support Contractor's business operations (other than a public utility or other provider of goods or services utilized by businesses on a general basis and not provided on a specialized and customized basis for Contractor, including, without limitation, business supplies) and such entity provides support to Contractor's business operations in connection with Contractor's performance of this Contract.

H.3 CERTIFIED BUSINESS ENTERPRISE SUBCONTRACTING REQUIREMENTS

A waiver of this section has been approved by the Director of the Department of Small and Local Business Development for the Base Period of the Contract. Therefore Section H.3.3 requirement to submit a subcontracting plan is not applicable. However, the Certified Business Enterprise subcontracting requirement of Section H.3 are applicable to Option Periods if exercised, for beneficiaries of all non-construction contracts for Government assisted projects in Excess of \$250,000.00 unless a waiver for said option period has been approved in advance by the Director of the Department of Small and Local business Development. The parties acknowledge and agree that the District will reasonably cooperate with Contractor upon the exercise of each Option Period to request and obtain a waiver of this Section prior to the commencement of any Option Period for which such waiver is required. Notwithstanding anything to the contrary in the Contract, Contractor shall have the right to terminate this Contract, in the event any required waiver of this Section is not obtained by the District, upon thirty (30) days' written notice.

- H.3.1 All contracts in excess of \$250,000, unless a waiver has been approved by the Director of the Department of Small and Local Business Development, are required to:
- (a) Subcontract at least 35% of the dollar volume to small business enterprises, as defined in D.C. Code §2-218.32; provided, that the costs of materials, goods, and supplies shall not be counted towards the 35% subcontracting requirement unless such materials, goods, and supplies are purchased from small business enterprises; or
 - (b) If there are insufficient qualified small business enterprises to completely fulfill the requirement set forth in H.3.1(a), then the subcontracting requirement may be satisfied by subcontracting 35% of the dollar volume to any certified business enterprises, as defined in D.C. Code §§2-218.31-39a; provided, that all reasonable efforts shall be made to ensure that qualified small business enterprises are significant participants in the overall subcontracting work.
- H.3.2 Prime contractor's certified as a small business enterprise, local business enterprise, or disadvantaged business enterprise shall not have to comply with Sections H.3.1(a) or H.3.1(b).
- H.3.3 Bids or proposals responding to a solicitation, including an open market solicitation, shall be deemed nonresponsive and shall be rejected if the prime contractor fails to submit a subcontracting plan as part of its bid or proposal.
- H.3.4 A prime contractor's subcontracting plan shall specify all of the following:
- (a) The name and address of the subcontractor;
 - (b) Whether the subcontractor is currently certified as a certified business enterprise;
 - (c) The scope of work to be performed by the subcontractor; and
 - (d) The price to be paid by the prime contractor to the subcontractor.
- H.3.5 No prime contractor shall be allowed to amend the subcontracting plan filed as part of its bid or proposal except with the consent of the Contracting Officer and the Director of the Department of Small and Local Business Development. Any reduction in the dollar volume of the subcontracted portion resulting from such amendment of the plan shall inure to the benefit of the District.
- H.3.6 No multiyear contracts or extended contracts in which the options or extensions exceed \$1 million in value, which are not in compliance with this subchapter at the time of the contemplated exercise of the option or extension, shall be renewed or extended, and any such option or extension shall be void.
- H.3.7 Once the contract is awarded, the prime contractor shall submit to the Contracting Officer and the Director of the Department of Small and Local Business Development copies of the executed contracts with the subcontracts identified in the subcontracting plan. Failure to submit copies of the executed contracts shall render the underlying contract voidable by the Contracting Officer.

H.3.8 The winning prime contractor shall provide a copy of the contract, including the subcontracting plan to the Office of District of Columbia Auditor within 10 business days of its execution.

H.3.9 A quarterly report shall be provided to the Department of Small and Local Business Development and the Office of District of Columbia Auditor by the prime contractor, which shall include a list of each subcontractor identified in the subcontracting plan and for each subcontract:

- (a) The price to be paid by the contractor to the subcontractor;
- (b) A description of the goods procured or the services contracted for; and
- (c) The amount paid by the contractor to the subcontractor.

H.3.10 Waiver of Subcontracting Requirements

- (a) The prime contractor may request a waiver of the subcontracting requirements by timely filing a written request with the Contracting Officer detailing the reasons justifying a waiver, including the prime contractor's efforts to secure involvement by Certified Business Enterprises. The Contracting Officer may in turn submit the request to the Director of the Department of Small and Local Business Development.
- (b) The Contracting Officer will provide written notice of the waiver of the subcontracting requirements to the prime contractor prior to the acceptance of bids or proposals and upon approval of the waiver by the Director of the Department of Small and Local Business Development.
- (c) The Director of the Department of Small and Local Business Development may approve a waiver or modification of a subcontracting plan if the Director finds that the prime contractor has made a good faith effort to meet the subcontracting requirements.

H.3.11 In making a good faith determination, the Director of the Department of Small and Local Business Development will consider the following factors:

- (1) Whether the prime contractor conducted any pre-solicitation or pre-bid conferences to inform certified business enterprises of contracting and subcontracting opportunities;
- (2) Whether the prime contractor advertised in general circulation, trade association, and ethnic-focus media concerning the contracting and subcontracting opportunities;
- (3) Whether the prime contractor provided written notice to a reasonable number of specific certified business enterprises, in sufficient time to allow certified business enterprises to participate effectively, that their interest in the contract was being solicited;
- (4) Whether the prime contractor followed up initial solicitations of interest by conducting negotiations with certified business enterprises;
- (5) Whether rejections by the prime contractor of certified business enterprises as being unqualified were based on sound reasoning and thorough investigation of their capabilities;

- (6) Whether the prime contractor made efforts to assist interested certified business enterprises in obtaining bonding, lines of credit, or insurance required by the prime contractor;
- (7) Whether the prime contractor effectively used the services of the Commission in recruiting qualified and responsible certified business enterprises;
- (8) Whether bids submitted by certified business enterprises were excessive or noncompetitive based upon a review of prevailing market conditions; and
- (9) Any other factors which may be relevant in a particular case.

H.3.12 Vendors shall address these factors in any request for a waiver of the subcontracting requirements.

H.3.13 A contractor that is found to have willfully breached a subcontracting plan for utilization of certified business enterprises shall be subject to the imposition of penalties, including monetary fines of \$ 15,000 or 5% of the total amount of the work that the contractor was to subcontract to certified business enterprises, whichever is greater, for each breach.

H.4 WARRANTIES

- H.4.1 The Contractor warrants and agrees that it is lawfully organized and constituted under all federal, state and local laws, ordinances and other authorities of its domicile and is otherwise in full compliance with all legal requirements of its domicile.
- H.4.2 The Contractor warrants and agrees that it is of legal authority and capacity to enter into and perform under the Contract, and that it has the financial ability to perform its obligations under such Contract.
- H.4.3 The Contractor warrants and agrees that it has been duly authorized to operate and do business in all places where it will be required to do business under the Contract that it has obtained or will obtain all necessary licenses and permits required in connection with such Contract; and that it will fully comply with all laws, decrees, labor standards and regulations of its domicile and wherever performance occurs during the term of such Contract.
- H.4.4 The Contractor warrants and agrees that it has no present interest and shall not acquire any interest which would conflict in any manner with its duties and obligations under the Contract.
- H.4.5 The Contractor warrants and agrees that all systems analysis, systems design and programming pursuant to the Contract or for use in its performance there under has been and shall be prepared or done in a high quality, professional and competent manner using only qualified personnel.
- H.4.6 The Contractor further represents and warrants that all programs implemented in its performance under the contract shall meet the performance standards required there under and shall correctly and accurately perform their intended functions on the equipment supplied by the District or Contractor.

H.4.7 The Contractor warrants and agrees that all services provided by it under the Contract shall be performed in a prompt, high quality, professional and competent manner using only qualified personnel.

H.4.8 The Contractor warrants and agrees that it will not take any action inconsistent with any of the terms, conditions, agreements, or covenants set forth in this Contract and its attachments without the express written consent of the District.

H.4.9 **[RESERVED]**

H.4.10 **[RESERVED]**

H.5 Disclosure of Litigation

Subject to applicable law, regulation or other legal obligation imposed upon Contractor or Member (as such term is defined in the Merchant Agreement), Contractor shall immediately notify the District in the event of any material civil or criminal litigation commenced against Contractor or Member. For purposes of this Section “material civil or criminal litigation” means any action, order, dispute (whether in arbitration, alternative dispute resolution or otherwise), litigation or other matter reasonably likely to have an adverse effect upon the performance owed to the District by Contractor under the Contract.

H.6 CONTINUITY OF SERVICES

The Contractor recognizes that the services provided under this Contract are vital to the District of Columbia and must be continued without interruption and that, upon contract expiration or termination, a successor, either the District Government or another Contractor, at the District’s option, may continue to provide these services. If another Contractor is awarded a future contract for performance of the required services, the original Contractor shall cooperate fully with the District and the new Contractor in any transition activities that the Contracting Officer deems necessary during the term of the Contract. To that end, the Contractor agrees to exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

H.7 BACKGROUND INVESTIGATIONS AND OTHER INTEGRITY REQUIREMENTS

The Contractor represents and warrants that, during the term of the Contract and any renewal thereof, personnel assigned to perform under this Contract have gone through a background check and been cleared as per the requirements applicable to Contractor as a wholly-owned subsidiary of a national bank organized under the applicable provisions of the National Bank Act (12 U.S.C. § 21 *et. seq.*) which may require that no individual can be involved in a position of influence or control of the management or affairs of an insured institution if that individual has a felony conviction or multiple misdemeanor convictions for a criminal offense involving breach of trust, crime of dishonesty, money laundering, embezzlement, fraud, theft, criminal conspiracy or the sale, distribution, manufacture of or trafficking in controlled drugs and substances.

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SECTION I**CONTRACT CLAUSES****I.1 LAWS AND REGULATIONS INCORPORATED BY REFERENCE**

To the extent applicable, the provisions of the following acts, together with the provisions of applicable regulations made pursuant to said acts are hereby incorporated by reference into this Contract; together with the laws and regulations of the District of Columbia:

- A. Mayor's Order 85-85, dated June 10, 1985, as amended, entitled: "Compliance with Equal Opportunity Obligations in Contracts." All required forms are available on the Office of Contracting and Procurement website at www.ocp.dc.gov (See Solicitation Attachments).
- B. Public Law 93-112, Rehabilitation Act of 1973, Section 504, as amended.
- C. Mayor's Order 83-265, dated November 9, 1983 entitled: Employment Agreement Goals and Objectives for all District of Columbia Projects."
- D. D.C. Law 5-93, dated May 9, 1984, the First Source Employment Agreement Act of 1984.

I.2 WAIVER

The waiver of any breach of the Contract will not constitute a waiver of any subsequent breach thereof, or a waiver of the Contract.

I.3 INDEMNIFICATION

The Contractor's indemnification obligations to the District shall be governed by Section 11.1 of the Merchant Agreement.

I.4 TRANSFER

The transfer or assignment of this Contract by the parties shall be governed by Section 15.3 of the Merchant Agreement. Any novation agreement entered into pursuant to Section 15.3(b) of the Merchant Agreement shall be in accordance with D.C. Mun. Regs. Tit. 27 §1212.

I.5 TAXES

- (a) The Government of the District of Columbia is exempt from and will not pay Federal Excise Tax, Transportation Tax, and the District of Columbia Sales and Use Taxes.
- (b) Tax exemption certificates are no longer issued by the District for Federal Excise Tax. The following statement may be used by the supplier when claiming tax deductions for Federal Excise Tax exempt items sold to the District.

“The District of Columbia Government is Exempt from Federal Excise Tax – Registration No. 52-73-0206-K, Internal Revenue Service, Baltimore, Maryland.”

Exempt From Maryland Sales Tax, Registered With The Comptroller Of The Treasury – Exemption No. 09339

“The District of Columbia Government is Exempt from Sales and Use Tax – Registration No. 53-600, The District of Columbia Office of Tax and Revenue.”

I.6 OFFICIALS NOT TO BENEFIT

Unless a determination is made as provided herein, no officer or employee of the District will be admitted to any share or part of this Contract or to any benefit that may arise therefrom, and any contract made by the Contracting Officer or any District employee authorized to execute contracts in which they or an employee of the District will be personally interested shall be void, and no payment shall be made thereon by the District or any officer thereof, but this provision shall not be construed to extend to this Contract if made with a corporation for its general benefit. A District employee shall not be a party to a contract with the District and will not knowingly cause or allow a business concern or other organization owned or substantially owned or controlled by the employee to be a party to such a contract, unless a written determination has been made by the head of the procuring agency that there is a compelling reason for contracting with the employee, such as when the District's needs cannot reasonably otherwise be met. (Procurement Practices Reform Act of 2010, D.C. Law 18-0371, D.C. Official Code, section 2-359.10, and Chapter 18 of the DC Personnel Regulations)

The Contractor represents and covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Contractor further covenants not to employ any person having such known interests in the performance of the Contract.

I.7 DISPUTES

- A. Except for Payment Brand Fees and Contractors Fees listed on Schedule A, as such terms are used for purposes of the Base Period and Option Period tables in Section B.3 of this contract, which the parties agree are due and payable to Contractor in the ordinary course, all disputes arising under or relating to this Contract shall be resolved as provided herein.
- B. **Claims by a Contractor against the District**
Claim (as used in Section B of this clause but subject to Section A) means a written assertion by the Contractor seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this Contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.

- (a) All claims by a Contractor against the District arising under or relating to a contract shall be in writing and shall be submitted to the Contracting Officer for a decision. The contractor's claim shall contain at least the following:
 - (1) A description of the claim and the amount in dispute;
 - (2) Any data or other information in support of the claim;
 - (3) A brief description of the Contractor's efforts to resolve the dispute prior to filing the claim; and
 - (4) The Contractor's request for relief or other action by the Contracting Officer.
- (b) The Contracting Officer may meet with the Contractor in a further attempt to resolve the claim by agreement.
- (c) The Contracting Officer shall issue a written decision on any claim within one-hundred twenty (120) days of receipt of such a claim, whenever possible taking into account factors such as size and complexity of the claim and the adequacy of the information in support of the claim that the Contractor provides.
- (d) RESERVED
- (e) The Contracting Officer's written decision shall do the following:
 - (1) Provide a description of the claim or dispute;
 - (2) Refer to the pertinent contract terms;
 - (3) State the factual areas of agreement and disagreement;
 - (4) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;
 - (5) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
 - (6) Indicate that the written document is the contracting officer's final decision; and
 - (7) Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.
- (f) Any failure by the Contracting Officer to issue a decision on a contract claim within the required time period will be deemed to be a denial of the claim, and

will authorize the commencement of an appeal to the Contract Appeals Board as authorized by D.C. Official Code § 2-360.04.

- (g) (1) If a Contractor is unable to support any part of his or her claim and it is determined that the inability is attributable to a material misrepresentation of fact or fraud on the part of the Contractor, the Contractor shall be liable to the District for an amount equal to the unsupported part of the claim in addition to all costs to the District attributable to the cost of reviewing that part of the Contractor's claim.
- (2) Liability under paragraph (g) (1) shall be determined within six (6) years of the commission of the misrepresentation of fact or fraud.
- (h) The decision of the Contracting Officer shall be final and not subject to review unless an administrative appeal or action for judicial review is timely commenced by the Contractor as authorized by D. C. Official Code § 2-360.04.
- (i) Pending final decision of an appeal, action, or final settlement, a Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

C. Claims by the District against a Contractor

- (a) Claim as used in Section C of this clause, means a written demand or written assertion by the District seeking, as a matter of right, the payment of money in a sum certain, the adjustment of contract terms, or other relief arising under or relating to this Contract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.
- (b) (1) All claims by the District against a Contractor arising under or relating to a contract shall be decided by the Contracting Officer.
- (2) The Contracting Officer shall send written notice of the claim to the Contractor. The Contracting Officer's written decision shall do the following:
 - (a) Provide a description of the claim or dispute;
 - (b) Refer to the pertinent contract terms;
 - (c) State the factual areas of agreement and disagreement;
 - (d) State the reasons for the decision, including any specific findings of fact, although specific findings of fact are not required and, if made, shall not be binding in any subsequent proceeding;

- (e) If all or any part of the claim is determined to be valid, determine the amount of monetary settlement, the contract adjustment to be made, or other relief to be granted;
 - (f) Indicate that the written document is the Contracting Officer's final decision; and
 - (g) Inform the Contractor of the right to seek further redress by appealing the decision to the Contract Appeals Board.
- (3) The decision shall be supported by reasons and shall inform the Contractor of its rights as provided herein.
- (4) The authority contained in this clause shall not apply to a claim or dispute for penalties or forfeitures prescribed by statute or regulation which another District agency is specifically authorized to administer, settle, or determine.
- (5) This clause shall not authorize the Contracting Officer to settle, compromise, pay, or otherwise adjust any claim involving fraud.
- (6) The decision of the Contracting Officer shall be final and not subject to review unless an administrative appeal or action for judicial review is timely commenced by the Contractor as authorized by D.C. Official Code §2-360.04.
- (7) Pending final decision of an appeal, action, or final settlement, the Contractor shall proceed diligently with performance of the contract in accordance with the decision of the Contracting Officer.

I.8 CHANGES

The Contracting Officer may, at any time, by written order make changes in the contract to the extent such changes do not have a material effect on the performance to be rendered by, or due to Contractor under the Contract. Except for changes or amendments mandated by the Payment Brands or other third parties with jurisdiction over Contractor or Member (which are immediately effective pursuant to Section 15.13 of the Merchant Agreement), changes causing an increase or decrease in the cost of performance of this Contract (including but not limited to operational burden), the financial, regulatory compliance risks or reputational risk associated with performance under the Contract (according to the discretion of the non-amending party), or the time required for performance, such changes shall only be effective according to written agreement between the parties. If the parties fail to agree upon the adjustment to be made, the failure to agree shall be considered a dispute, subject to Section I.7; provided that the non-amending party shall have the right to terminate this Contract upon thirty (30) days' prior notice regardless of the adjustment deemed equitable pursuant to the dispute process set forth in Section I.7.

I.9 TERMINATION FOR DEFAULT

- A. The District may, subject to applicable provisions of the Merchant Agreement, by written notice of default to the Contractor, terminate the whole or any part of this Contract if (i) the Contractor fails to perform any material provisions of this Contract, or (ii) Contractor fails to make progress as to endanger material performance of this Contract in accordance with its terms and; (iii) Contractor does not cure such failure within a period of thirty (30) days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.
- B. In the event the District terminates this Contract in whole or part as provided in paragraph A. above, but subject to applicable provisions in the Merchant Agreement, the District may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or service similar to those so terminated and the Contractor shall be liable to the District for any reasonable differences in Contractors Fees as listed in the Schedule A (as such term is used within the Base Period and Option Period tables in Section B.3) for the same or substantially similar supplies or services for the remainder of the then current Base or Option Period, whichever is applicable. Provided, that the Contractor shall continue the performance of this Contract to the extent not terminated under provisions of this clause. The Contractor agrees to reasonably cooperate with the District and subsequent contractor to assist in the smooth transfer of information relating the District's Transactions and Transaction Data for no less than sixty (60) days.
- C. If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provision of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the Contract contains a clause providing for a termination for convenience be the same as if the notice of termination had been issued pursuant to such clause. Section I.10 "Termination for Convenience".
- D. The rights and remedies of the District provided in this clause shall not be exclusive and are in addition to any rights and remedies provided by law or under the Merchant Agreement.
- E. The Contractor shall have the right to terminate this Contract for reasons described under 10.2 of the Merchant Agreement.

I.10 TERMINATION FOR CONVENIENCE

- A. The District may, at any time, terminate performance of work under this Contract in whole or in part if the Contracting Officer determines that a termination is in the District's interest. The Contracting Officer shall terminate by delivering to the Contractor a "Notice of Termination" specifying the extent of termination and effective date. After receipt of a "Notice of Termination", and except as directed by the Contracting Officer, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause: (i) Stop work as specified in the notice (except as may otherwise be reasonably required to administer closure of District's account, including collection of any outstanding Payment Brand Fees or Contractors Fees listed within the Schedule A (as such terms are used and defined in

the Base Period and Option Period tables in Section B.3 of this contract) or other amounts which the parties agree are due and payable to Contractor in the ordinary course and are not subject to the Disputes clause in Section I.7; (ii) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the Contract; (iii) Terminate all contracts to the extent they relate to the work terminated; (iv) Assign to the District, as directed by the Contracting Officer, all rights, title and interest of the Contractor under the subcontracts terminated, in which case the District shall have the right to settle or pay any termination settlement proposal arising out of those terminations; (v) With approval or ratification to the extent required by the Contracting Officer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification will be final for purposes of this clause; (vi) As directed by the Contracting Officer, transfer title and deliver to the District: (a) the fabricated and unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and (b) the completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to the District; (vii) Complete performance of the work not terminated; (viii) Take any reasonable action that may be necessary, or that the Contracting Officer may reasonably require, for the protection and preservation of the property related to this Contract that is in the possession of the Contractor and in which the District has or may have acquired an interest.

B. [RESERVED]

C. After termination, the Contractor shall submit a final settlement proposal to the Contracting Officer in the form and with the certification prescribed by the Contracting Officer; provided that any outstanding Payment Brand Fees or Contractors Fees listed within the Schedule A (as such terms are used and defined in the Base Period and Option Period tables in Section B.3 of this contract) or other amounts which the parties agree are due and payable to Contractor in the ordinary course and are not subject to the Disputes clause in Section I.7 shall not be required to be included in such final settlement proposal and shall be satisfied under the applicable terms of the Merchant Agreement. The Contractor shall submit the proposal promptly, but not later than six (6) months from the effective date of termination, unless extended in writing by the Contracting Officer upon written request of the Contractor within this 6-month period. However, if the Contracting Officer determines that the facts justify it, a termination settlement proposal may be received and acted on after six (6) months or any extension.

D. [RESERVED]

E. Except for any outstanding Payment Brand Fees or Contractors Fees listed within the Schedule A (as such terms are used and defined in the Base Period and Option Period tables in Section B.3 of this contract) or other amounts which the parties agree are due and payable to Contractor in the ordinary course and are not subject to the Disputes clause in Section I.7, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph, or paragraph F., below, exclusive of costs shown in subparagraph F

(iii) below, may not exceed the total contract price as reduced by: (a) the amount of payments previously made, and (b) the contract price of work not terminated. The Contract shall be amended, and the Contractor paid the agreed amount. Paragraph F., below shall not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.

- F. If the Contractor and the Contracting Officer fail to agree on the whole amount to be paid because of the termination of work, the Contracting Officer shall pay the Contractor the amounts determined by the Contracting Officer as follows, but without duplication of any amounts agreed on under paragraph E., above: (i) The contract price for completed supplies or services accepted by the District (or sold or acquired under subparagraph A(ix), above, not previously paid for, adjusted for any saving of freight and other charges. (ii) The total of—
- (a) The costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to supplies or services paid or to be paid under subparagraph F(i), above;
 - (b) cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subparagraph F(i) above; and
 - (c) A sum, as profit on subparagraph F. (i) above, determined by the Contracting Officer to be fair and reasonable; however, if it appears that the Contractor would have sustained a loss on the entire contract had it been completed, the Contracting Officer shall allow no profit under this subparagraph (c) and shall reduce the settlement to reflect the indicated rate of loss. (iii) The reasonable cost of settlement of the work terminated, including (a) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data; (b) The termination and settlement of subcontracts (excluding the amounts of such settlement); and (c) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.
- G. Except for normal spoilage, and except to the extent that the District expressly assumed the risk of loss, the Contracting Officer shall exclude from the amounts payable to the Contractor under paragraph E., above, the fair value, as determined by the Contracting Officer, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the District or to a buyer.
- H. The Contractor shall have the right of appeal, for any Claim subject to the Disputes clause under Section I.7 of this contract, from any determination made by the Contracting Officer under paragraph C., E. or I., of this clause concerning any such Claims; except that if the Contractor failed to submit the termination settlement proposal within the time provided in paragraph C., and failed to request a time extension, there is no right of appeal. If the Contracting Officer has made a determination of the amount due under paragraph C., E. or I., the District shall pay the Contractor: (a) the amount determined by the Contracting Officer if there is no right of appeal or if no timely appeal has been taken, or (b) the amount finally determined on an appeal. In arriving at the amount due the Contractor under this clause, there shall be deducted: (i) All unliquidated advance or

other payments to the Contractor under the terminated portion of this contract; (ii) Any claim which the District has against the Contractor under this contract; provided that such claim would be subject to the Disputes clause under Section I.7 of this contract; and (iii) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Contractor or sold under the provisions of this clause and not recovered by or credited to the District.

- I. If the termination is partial and subject to a modification by Contractor under the terms of Section 9.2 of the Merchant Agreement, the Contractor may file a proposal with the Contracting Officer for an equitable adjustment of the price(s) of the continued portion of the contract and the Contracting Officer shall make any equitable adjustment agreed upon.
- J. The District may, under the terms and conditions it prescribes, make any partial payments and payments against costs incurred by the Contractor for the terminated portion of the contract, if the Contracting Officer believes the total of these payments will not exceed the amount to which the Contractor shall be entitled. If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the District upon demand, together with interest computed at the rate of ten percent (10%) per year. Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess is repaid. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Contracting Officer because of the circumstances.
- K. Unless otherwise provided in this Contract or by statute, the Contractor shall maintain all records and documents that may reasonably be requested by the District relating to the terminated portion of this Contract for three (3) years after final settlement. This includes all books, and other evidence bearing on the Contractor's costs and expenses under this Contract. The Contractor shall make these records and documents available to the District, at the Contractor's office, at all reasonable times, without any direct charge. If approved by the Contracting Officer, photographs, micrographs, or other authentic reproductions may be maintained instead of original records and documents.

I.11 TERMINATION OF CONTRACTS FOR CERTAIN CRIMES AND VIOLATIONS

A. The District may terminate without liability any Contract and may deduct from the contract price or otherwise recover the full amount of any fee, commission, percentage, gift, or consideration paid in violation of this title if:

- (1) The Contractor has been convicted of a crime arising out of or in connection with the procurement of any work to be done or any payment made under this Contract.
- (2) There has been any breach or violation of:

(A) Any provision of the Procurement Practices Reform Act of 2010, as

amended, or

(B) The contract provision against contingent fees.

B. If a contract is terminated pursuant to this section, the Contractor: (i) May be paid only the actual costs of the work performed to the date of termination, plus termination costs, if any; and (ii) shall refund all profits or fixed fees realized under the Contract.

C. The rights and remedies contained in this Clause are in addition to any other rights or remedies provided by law, and the exercise of any of them is not a waiver of any other right or remedy provided by law.

I.12 EXAMINATION OF THE BOOKS

The Contractor shall establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting principles and practices which sufficiently and properly reflect all revenues and expenditures of funds provided by the District under the Contract. The Contractor shall retain all records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract for a period of three (3) years after termination of the contract. In the event the District requires any such records financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to the contract beyond three (3) years after termination or expiration of the Contract as a result of any legally-required exam, audit or otherwise having authority or jurisdiction over the District, Contractor agrees to use reasonable efforts to provide any such information under Contractor's control or possession. The Contractor shall assure that these records shall be subject at all reasonable times to inspection or review by the District, or other personnel duly authorized by the Contracting Officer.

The Contracting Officer, the DC Inspector General, OCFO, and the District of Columbia Auditor, and/or any of their duly authorized representatives shall, until three years after final payment, have the right to review or examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to the Contract.

I.13 NONDISCRIMINATION CLAUSE

- (a) The Contractor shall not discriminate in any manner against any employee or applicant for employment that would constitute a violation of the District of Columbia Human Rights Act, approved December 13, 1977, as amended (D.C. Law 2-38; D.C. Official Code §2-1402.11) (2001 Ed.)("Act" as used in this Section). The Contractor shall include a similar clause in all subcontracts, except subcontracts for standard commercial supplies or raw materials. In addition, Contractor agrees and any subcontractor shall agree to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause as provided in Section 251 of the Act.
- (b) Pursuant to rules of the Office of Human Rights, published on August 15, 1986 in the D.C. Register, Mayor's Order 2002-175 (10/23/02), 49 DCR 9883 and Mayor's Order 2006-151 (11/17/06), 52 DCR 9251, the following clauses apply to this contract:

- (1) The Contractor shall not discriminate against any employee or applicant for employment because of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business. Sexual harassment is a form of sex discrimination which is prohibited by the Act. In addition, harassment based on any of the above protected categories is prohibited by the Act.
- (2) The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, genetic information, source of income, or place of residence or business.

The affirmative action shall include, but not be limited to the following:

- (a) employment, upgrading or transfer;
 - (b) recruitment or recruitment advertising;
 - (c) demotion, layoff, or termination;
 - (d) rates of pay, or other forms of compensation; and
 - (e) selection for training and apprenticeship.
- (3) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Agency, setting forth the provisions in subsections (b)(1) and (b)(2) concerning non-discrimination and affirmative action.
- (4) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment pursuant to the non-discrimination requirements set forth in subsection (b)(2).
- (5) The Contractor agrees to send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding (if any), a notice to be provided by the contracting agency, advising the said labor union or workers' representative of that contractor's commitments under this nondiscrimination clause and the Act, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

- (6) The Contractor agrees to permit the Chief Procurement Officer or designee, or the Director of Human Rights or designee reasonable access to his books, records and accounts pertaining to its employment practices, subject to reasonably appropriate confidentiality protections and assurances agreed to, or provided by the Chief Procurement Officer or designee, or the Director of Human Rights or designee, for purposes of investigation to ascertain compliance with this chapter, and to require under the terms of any subcontractor agreement each subcontractor to permit access of such subcontractor's books, records, and accounts for such purposes.
- (7) The Contractor agrees to comply with the provisions of this chapter and with all guidelines for equal employment opportunity applicable in the District of Columbia adopted by the Director of the Office of Human Rights, or any authorized official.
- (8) The Contractor shall include in every subcontract through which any performance of the Contract is delegated by Contractor the equal opportunity clauses, subsections (b)(1) through (b)(9) of this section, so that such provisions shall be binding upon each subcontractor or vendor.
- (9) The Contractor shall take such action with respect to any subcontract as the Contracting Officer may direct as a means of enforcing these provisions, including sanctions for noncompliance; provided, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or Contractor as a result of such direction by the Contracting Officer, the Contractor may request the District to enter into such litigation to protect the interest of the District.

I.14 SERVICE CONTRACT ACT OF 1965

Definitions:

"Act", as used in this clause, means the Service Contract Act of 1965, as amended (41 U.S.C. 351- 358). "Contractor" as used in this clause, means the prime Contractor or any subcontractor at any tier. "Service employee" as used in this clause, means any person (other than a person employed in a bona fide executive, administrative, or professional capacity as defined in 29 CFR 541) engaged in performing a Government contract nor exempted under 41 U.S.C. 356, the principal purpose of which is to furnish services in the United States as defined in section 22.1001 of the Federal Acquisition Regulation. It includes all such persons regardless of the actual or alleged contractual relationship between them and a contractor.

- A. **Applicability.** To the extent that the Act applies, this contract is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor (29CFR 4). All interpretations of the Act in Subpart C of 29 CFR 4 are incorporated in this contract by reference. This clause does not apply to contracts or subcontracts administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C, 29 CFR 4.

Compensation: (i) The Contractor shall pay not less than the minimum wage and shall furnish fringe benefits to each service employee under this contract in accordance with wages and benefits determined by the Secretary of Labor or the Secretary's authorized representative, as specified in any attachments to this contract; (ii) If there is an attachment, the Contractor shall classify any class of service employees not listed in it, but to be employed under this contract. The classification shall provide a reasonable relationship to those listed in the attachment. The Contractor shall pay that class wages and fringe benefits determined by agreement of the interested parties: The contracting agency, the Contractor, and the employees who will perform the contract or their representatives. If the interested parties do not agree, the Contracting Officer shall submit the question, with a recommendation for final determination to the Office of Government Contract Wage Standards, Wage and Hour Division Employment Standards Administration (ESA), and the Department of Labor. Failure to pay such employees the compensation agreed upon by the interested parties or finally determined by ESA is a contract violation. (iii) If the term of this contract is more than one (1) year, the minimum wages and fringe benefits required for service employees under this contract shall be subject to adjustment after 1 year and not less often than once every two (2) years under wage determinations issued by ESA.

- B. **Minimum Wage.** In the absence of a minimum wage attachment for this contract, the Contractor shall not pay any service or other employees performing this contract less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 206). Nothing in this clause shall relieve the Contractor of any other legal or contractual obligations to pay a higher wage to any employee.
- D. **Successor Contracts.** If this contract succeeds a contract subject to the Act under which substantially the same services were furnished and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, then, in the absence of a minimum wage attachment to this contract, the Contractor may not pay any service employee performing this contract less than the wages and benefits, including those accrued and any prospective increases, provided for under that agreement. No Contractor may be relieved of this obligation unless the limitations of 29 CFR 4.1c (b) apply or unless the Secretary of Labor or the Secretary's authorized representative - (i) Determines that the agreement under the predecessor was not the result of arms-length negotiations, or (ii) Finds, after a hearing under 29 CFR 4.10, that the wages and benefits provided for by that agreement vary substantially from those prevailing for similar services in the locality.
- E. **Notification to Employees.** The Contractor shall notify each service employee commencing work on this contract of the minimum wage and any fringe benefits required to be paid, or shall post a notice of these wages and benefits in a prominent and accessible place at the work site, using such poster as may be provided by the Department of Labor.
- F. **Safe and sanitary working conditions.** The Contractor shall not permit services called for by this contract to be performed in building or surroundings or under working conditions provided by or under the control or supervision of the Contractor that are unsanitary, hazardous, or dangerous to the health or safety of service employees. The Contractor shall comply with the health standards applied under 29 CFR Part 1925.

- G. **Records.** The Contractor shall maintain for three (3) years from the completion of the work, and make available for inspection and transcription by authorized ESA representatives, a record of the following:
- (i) For each employee subject to the Act –
 - (a) Name and address;
 - (b) Work classification or classifications, rate or rates of wages and fringe benefits provided;
 - (c) Rate or rates of payments in lieu of fringe benefits, and total daily and weekly compensation;
 - (d) Daily and weekly hours worked; and
 - (e) Any deductions, rebates, or refunds from total daily and weekly compensation.
 - (ii) For those classes of service employees not included in any wage determination attached to this contract, wage rates or fringe benefits determined by the interested parties or by ESA under the terms of paragraph (B)(iii) of this clause. A copy of the report required by paragraph (D) of this clause will fulfill this requirement.
- H. **Withholding of Payments and Termination of Contract:** The Contracting Officer shall withhold from the prime contractor under this or any other government contract with the prime contractor any sums the Contracting Officer, or an appropriate officer of the Labor Department, decides may be necessary to pay underpaid employees. Additionally, any failure to comply with the requirements of this clause may be grounds for termination for default.
- I. **Contractor's Report:** (i) If there is a wage determination attachment to this contract and any classes of service employees not listed on it are to be employed under the contract, the Contractor shall report promptly to the Contracting Officer the wages to be paid and the fringe benefits to be provided each of these classes, when determined under paragraph C. of this clause. (ii) If wages to be paid or fringe benefits to be furnished any service employee(s) under the contract are covered in collective bargaining agreement effective at any time when the contract is being performed, the prime Contractor shall provide to the Contracting Officer a copy of the agreement and full information on the application and accrual of wages and benefits (including any prospective increases) to service employees working on the contract. The prime Contractor shall report when contract performance begins, in the case of agreements then in effect, and shall report subsequently effective agreements, provisions, or amendments promptly after they are negotiated.

- J. **Variations, tolerances, and exemptions involving employment:** Notwithstanding any of the provisions in this clause, the following employees may be employed in accordance with the following variations, tolerances, and exemptions authorized by the Secretary of Labor: (i) In accordance with regulations issued under Section 14, of the Fair Labor Standards Act of 1938 by the Administrator of the Wage and Hour Division, ESA(29 CFR 520, 521, 524 and 525), apprentices, student learners, and workers whose earning capacity is impaired by age or by physical or mental deficiency or injury, may be employed at wages lower than the minimum wages otherwise required by section 2(a)(1) or 2(b)(1) of the Service Contract Act, without diminishing any fringe benefits or payments in lieu of these benefits required under section 2(a)(2) of the Act. (ii) The Administrator will issue certificates under the Act for employing apprentices, and student learners, disabled persons, or disabled clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of minimum wages, but without changing requirements concerning fringe benefits for supplementary cash payments in lieu of these benefits; (iii) The Administrator may also withdraw, annul, or cancel such certificates under 29 CFR 525 and 528; and (iv) an employee engaged in an occupation in which the employee customarily and regularly receives more than \$30 a month in tips credited by the employer against the minimum wage required by section 2(a)(1) of the Act or section 2(b)(1) of the Act, in accordance with regulations in 29 CFR 531. However, the amount of credit shall not exceed 40 percent of the minimum rate specified in section 6(a) (1) of the Fair Labor Standards Act of 1938, as amended.

I.15 RECOVERY OF DEBTS OWED THE DISTRICT

The Contractor hereby agrees that the District may use all or any portion of any consideration or refund due the Contractor under the present Contract to satisfy in whole or part, any debt due the District.

I.16 NON-DISCLOSURE AGREEMENT

- A. The Contractor shall maintain as confidential, and shall not disclose to third parties without the District's prior written consent, any District information including, but not limited to, the District's business activities, practices, systems, conditions, products, services, public information and education plans and related materials, and game and marketing plans.
- B. The Contractor shall at all times obtain the prior written approval from the Contracting Officer before it, any of its officers, agents, employees or subcontractors, either during or after expiration or termination of the Contract, make any statement, or issue any material, for publication through any medium of communication, bearing on the work performed or data collected under this Contract.
- C. No information regarding the Contractor's performance of the Contract shall be disclosed by the Contractor to anyone other than District Government officials unless written approval is obtained in advance from the Contracting Officer.

- D. The District shall ensure that its personnel do not disclose to any non-District person or organization information concerning the process the Contractor uses to provide services under the Contract.

I.17 GOVERNMENT PROPERTY

Contractor use of Government property shall be governed by Chapter 41 of Title 27 of the D.C. Municipal Regulations.

I.18 [RESERVED]

I.19 [RESERVED]

I.20 RESPONSIBILITY FOR SUPPLIES TENDERED

The Contractor shall be responsible for the materials or supplies covered by this Contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected materials or supplies after notification of rejection. Upon failure to do so within ten days after notification, the District may return the rejected materials or supplies to the Contractor at the Contractor's risk and expense.

I.21 APPROPRIATION OF FUNDS

The District's liability under this Contract is contingent upon the future availability of appropriated monies with which to make payment for the Contract purposes. The legal liability on the part of the District for payment of any money shall not arise unless and until such monies shall have been provided. The District's obligation to pay under this Contract is subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351; (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08 (2001); (iii) D.C. Official Code § 47-105 (2001); and (iv) D.C. Official Code § 1-204.46 (2001), as the foregoing statutes may be amended from time to time. Any expenditures under the Contract in excess of the encumbered budget authority are subject to appropriation or additional budget authority. Notwithstanding the foregoing, nothing in this Section I.21 shall be construed to waive Contractor's right to pursue legal action to recover any Contractor Fees listed within the Schedule A, Payment Brand Fees (as those terms are used and defined in the Base Period and Option Period tables within Section B.3 of this contract or other liabilities incurred by Contractor, Member or the District and imposed by the Payment Brands or any other third parties as a result of processing the District's Transactions under the Contract.

I.22 MULTIYEAR CONTRACT

If funds are not available for the continued performance in a subsequent year of a multiyear contract, the contract for the subsequent year shall be terminated, either automatically or in accordance with the termination clause of this Contract. Unless otherwise provided for in this Contract, the effect of termination is to discharge both the District and the Contractor from future performance of the Contract, but not from their existing obligations. The Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred, but not amortized in the price of the supplies or services delivered under the Contract. .

Notwithstanding the foregoing, nothing in this Section I.22 shall be construed to waive Contractor's right to pursue legal action to recover any Contractor Fees listed within the Schedule A, Payment Brand Fees (as those terms are used and defined in the Base Period and Option Period tables within Section B.3 of this contract or other liabilities incurred by Contractor, Member or the District and imposed by the Payment Brands or any other third parties as a result of processing the District's Transactions under the Contract.

I.23 EXPIRATION OR CANCELLATION

In the event this Contract is cancelled because of non-availability of funds or non-appropriation of funds for any subsequent fiscal year, there shall be a cancellation ceiling of zero dollars representing reasonable pre-production and non-recurring cost, which would be applicable to the items of the life of the Contract. If the Contract is canceled due to unavailability of funds, the Contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies delivered or services performed under the Contract. Notwithstanding the foregoing, nothing in this Section I.23 shall be construed to waive Contractor's right to pursue legal action to recover any Contractor Fees listed within the Schedule A, Payment Brand Fees (as those terms are used and defined in the Base Period and Option Period tables within Section B.3 of this contract or other liabilities incurred by Contractor, Member or the District and imposed by the Payment Brands or any other third parties as a result of processing the District's Transactions under the Contract.

I.24 CONTRACTS IN EXCESS OF \$1 MILLION DOLLARS

Any contract in excess of one million dollars (\$1,000,000) within a 12-month period shall not be binding or give rise to any claim or demand against the District unless first approved by the Council of the District of Columbia and signed by the Contracting Officer.

I.25 LIVING WAGE ACT OF 2006 REQUIREMENTS

Contractor shall comply with the provisions of Title I of the Way to Work Amendment Act of 2006, effective June 8, 2006 (D.C. Law 16-118, D.C. Official Code §2-220.01 *et seq.*), as amended, ("Living Wage Act of 2006") which applies to all contracts for services in the amount \$100,000 or more in a 12-month period.

The Living Wage Act of 2006 requires a contractor to:

1. Pay its employees and subcontractors qualifying as Affiliated Employees (as defined by the Living Wage Act) who perform services under the contract no less than the Current Living Wage Rate of \$13.95 per hour;
2. Include in any subcontract for \$15,000.00 or more a provision requiring the subcontractor to pay its Affiliated Employees who perform services under the Contract no less than the current living wage rate;
3. Provide a copy of the Living Wage Act Fact Sheet to each employee and Subcontractor qualifying as Affiliated Employees (as defined by the Living Wage Act) who perform services under the Contract;

4. Make the Living Wage Act Notice available to any Affiliated Employees or post the Living Wage Act Notice in a conspicuous place in its place of business;
5. Include in any subcontract for \$15,000.00 or more a provision requiring the subcontractor to post the Living Wage Act Notice in a conspicuous place in its place of business;
6. Maintain its payroll records under the Contract in the regular course of business for a period of at least three (3) years from the payroll date; and
7. Require its subcontractors with subcontracts for \$15,000.00 or more under the Contract to maintain its payroll records under the Contract in the regular course of business for a period of at least three (3) years from the payroll date.

The Living Wage Act Fact Sheet may be found at <https://sites.google.com/a/dc.gov/ocfo-procurements/> under the title: Living Wage Act Fact Sheet and is provided in accordance with the provisions of the above referenced DC statutes.

I.26 COST AND PRICING DATA

- (a) This paragraph and paragraphs b through e below shall apply to contractors in regards to: (1) any procurement in excess of \$100,000, (2) any contract awarded through competitive sealed proposals, (3) any contract awarded through sole source procurement, or (4) any change order or contract modification. By entering into this contract or submitting this offer, the Contractor certifies that, to the best of the Contractor's knowledge and belief, any cost and pricing data submitted was accurate, complete and current as of the date specified in the contract or offer.
- (b) Unless otherwise provided in the solicitation, the Contractor shall, before entering into any contract awarded through competitive sealed proposals or through sole source procurement or before negotiating any price adjustments pursuant to a change order or modification, submit cost or pricing data and certification that, to the best of the Contractor's knowledge and belief, the cost or pricing data submitted was accurate, complete, and current as of the date of award of this contract or as of the date of negotiation of the change order or modification.
- (c) If any price, including profit or fee, negotiated in connection with this contract, or any cost reimbursable under this contract, was increased by any significant amount because (1) the Contractor or a subcontractor furnished cost or pricing data that were not complete, accurate, and current as certified by the Contractor, (2) a subcontractor or prospective subcontractor furnished the Contractor cost or pricing data that were not complete, accurate, and current as certified by the Contractor, or (3) any of these parties furnished data of any description that were not accurate, the price or cost shall be reduced accordingly and the contract shall be modified to reflect the reduction.
- (d) Any reduction in the contract price under paragraph c above due to defective data from a prospective subcontractor that was not subsequently awarded, the subcontract shall be limited to the amount, plus applicable overhead and profit markup, by which (1) the actual subcontract or (2) the actual cost to the Contractor, if there was no subcontract,

- was less than the prospective subcontract cost estimate submitted by the Contractor; provided that the actual subcontract price was not itself affected by defective cost or pricing data.
- (e) Cost or pricing data includes all facts as of the time of price agreement that prudent buyers and sellers would reasonably expect to affect price negotiations significantly. Cost or pricing data are factual, not judgmental, and are therefore verifiable. While they do not indicate the accuracy of the prospective Contractor's judgment about estimated future costs or projections, cost or pricing data do include the data forming the basis for that judgment. Cost or pricing data are more than historical accounting data; they are all the facts that can be reasonably expected to contribute to the soundness of estimates of future costs and to the validity of determinations of costs already incurred.
 - (f) The following specific information should be included as cost or pricing data, as applicable:
 - (1) Vendor quotations;
 - (2) Nonrecurring costs;
 - (3) Information on changes in production methods or purchasing volume;
 - (4) Data supporting projections of business prospects and objectives and related operations costs;
 - (5) Unit – cost trends such as those associated with labor efficiency;
 - (6) Make or buy decisions;
 - (7) Estimated resources to attain business goals;
 - (8) Information on management decisions that could have a significant bearing on costs.
 - (g) If the Contractor is required by law to submit cost or pricing data in connection with pricing this contract or any change order or modification of this contract, the Contracting Officer or representatives of the Contracting Officer shall have the right to examine all books, records, documents and other data of the Contractor (including computations and projections) related to negotiating, pricing, or performing the contract, change order or modification, in order to evaluate the accuracy, completeness, and currency of the cost or pricing data. The right of examination shall extend to all documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used. Contractor shall make available at its office at all reasonable times the materials described above for examination, audit, or reproduction until three years after the later of:
 - (1) final payment under the contract;
 - (2) final termination settlement; or
 - (3) final termination settlement; or

- (4) the final disposition of any appeals under the disputes clause or of litigation or the settlement of claims arising under or relating to the contract.

I.27 AMERICANS WITH DISABILITIES ACT OF 1990 (“ADA”)

During the performance of the Contract, the Contractor and any of its subcontractors shall have policies, procedures and practices designed to achieve compliance with the ADA. The ADA makes it unlawful to discriminate in employment against a qualified individual with a disability. See 42 U.S.C. § 12101 et seq.

I.28 FREEDOM OF INFORMATION ACT (“FOIA”)

The District of Columbia’s Freedom of Information Act, at D.C. Official Code § 2-532 (a)(3), requires the District to make available for inspection and copying any record produced or collected pursuant to a District contract with a private contractor to perform a public function, to the same extent as if the record were maintained by the agency on whose behalf the Contract is made. If the Contractor receives a request for such information, the Contractor shall immediately send the request to the COTR designated in subsection G.1 who will provide the request to the FOIA Officer for the agency with programmatic responsibility in accordance with the D.C. Freedom of Information Act. If the agency with programmatic responsibility receives a request for a record maintained by the Contractor pursuant to the contract, the COTR will forward a copy to the Contractor. In either event, the Contractor is required by law to provide all responsive records to the COTR within the timeframe designated by the COTR. The FOIA Officer for the agency with programmatic responsibility will determine the releasability of the records. The District will reimburse the Contractor for the costs of searching and copying the records in accordance with D.C. Official Code § 2-532 and Chapter 4 of Title 1 of the *D.C. Municipal Regulations*.

I.29 PROPRIETARY REQUIREMENTS

Trade secrets or similar proprietary data, which the Contractor or the District does not wish disclosed to other than personnel involved in the evaluation or contract administration will be kept confidential to the extent permitted. The District and the Contractor shall identify and mark all proprietary materials.

I.30 INSURANCE

The Contractor shall obtain and maintain insurance coverage set forth below upon award of the Contract and keep such insurance in force throughout the contract period.

I.30.1.1 Commercial General Liability: The Contractor shall carry Commercial General Liability insurance covering bodily injury and property damage in the amount of five hundred thousand dollars (\$500,000) per occurrence and two million dollars (\$2,000,000) aggregate.

I.30.1.2 RESERVED

I.30.1.3 Workers' Compensation: The Contractor shall carry statutory workers' compensation insurance covering all of its employees engaged in the performance of the work, and

the Contractor agrees to comply at all times with the provisions of the workers' compensation laws of the District.

- I.30.1.4 Employer's Liability: The Contractor shall carry employer's liability coverage of at least one hundred thousand dollars (\$100,000) each accident, disease each employee, and disease-policy limit.
- I.30.1.5 Business Automobile Liability: The Contractor shall maintain automobile liability insurance for bodily injury and property damage liability covering the operation of all automobiles used in connection with the performance of this Contract. Policies shall provide coverage of at least two hundred thousand dollars (\$200,000) per person and five hundred thousand dollars (\$500,000) per occurrence for bodily injury and twenty thousand dollars (\$20,000) per occurrence for property damage.
- I.30.1.6 The Contractor shall maintain Bankers Professional liability insurance in an aggregate amount not less than five million dollars (\$5,000,000).
- I.30.1.7 The Commercial General Liability Insurance shall set forth the District as an additional insured as their interests may appear, as it relates to this Contract. All insurance shall be written with a current A.M. Best rating of A-(minus)/VIII or better.

I.31 [RESERVED]

I. 32 COVENANT AGAINST CONTINGENT FEES

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the District will have the right to terminate the Contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of the commission, percentage, brokerage, or contingent fee.

I.33 HEALTH AND SAFETY STANDARDS

Items delivered under this Contract shall conform to all applicable requirements of the Occupational Safety and Health Act of 1970, as amended ("OSHA"), and Department of Labor Regulations under OSHA, and all Federal requirements in effect at time of proposal submission.

I.34 [RESERVED]

I.35 FORCE MAJEURE

Neither the Contractor nor the District shall be deemed in default or otherwise liable hereunder due to either party's inability to perform by reason of any fire, earthquake, flood, epidemic, accident, explosion, casualty, strike, lockout, labor controversy, riot, civil disturbance, act of public enemy, embargo, war, act of God, or any municipal, county, state or national ordinance or law, or any executive, administrative or judicial orders (which judicial orders are not the result of any act or omission to act which would constitute a default hereunder), or any failure or delay of any transportation, power or other essential thing required, or similar causes beyond the parties control. Notwithstanding the foregoing and subject to other applicable provisions in the Contract, nothing in this Section I.35 will affect or excuse District's liabilities and obligations for Contractors Fees listed within Schedule A or Payment Brand Fees (as such terms are used and defined in the Base Period and Option Period tables within Section B.3 of this contract), other liabilities incurred by Contractor, Member or the District and imposed by the Payment Brands or any other third parties as a result of processing the District's Transactions under the Contract or Contractor obligations to its Customers for any unfulfilled goods or services.

I.36 GOVERNING LAW

This Contract shall be construed in accordance with and governed by the laws of the District of Columbia.

I.37 ORDER OF PRECEDENCE

A conflict in language shall be resolved by giving precedence to the document in the highest order of priority that contains language addressing the issue in question. The following documents are incorporated into the Contract by reference and made a part of the Contract in the following order of precedence:

- (1) The contract (except where specifically indicated in the contract that the Merchant Agreement shall control)
- (2) Merchant Agreement
- (3) BAFOs (in order of most recent to earliest)
- (4) Contractor's Proposal to the RFP

SECTION J
ATTACHMENTS

The following attachments are hereby incorporated

Attachment Number	Document
J.1	U.S. Department of Labor Wage Determination No. 2005-2103, Revision 14, Dated July 25, 2014
J.2	Bidder/Offeror Certifications
J.3	Doing Business with Integrity

SECTION K**REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS****K.1 AUTHORIZED OFFICERS**

The Contractor shall list the names of persons authorized to negotiate on the Contractor's behalf in connection with this Invitation for Bids (list names, titles, and telephone numbers of the authorized negotiators):

Paul Pequegnat Vice President, Merchant Services (1-214-274-6649)

K.2 PENDING LEGAL CLAIMS AGAINST THE DISTRICT

The Offeror must disclose any pending legal claims against the District. Pending legal claims includes, but is not limited to, Federal and District court litigation, administrative actions such as contract appeals or protests, claims for money damages from the District, and any other type of action (court or administrative) against the District. Bidders with pending legal claims against the District are not automatically precluded from contract award. If Bidder does not have any pending legal claims against the District, please indicate this below.

According to the undersigned's knowledge, there are no pending legal claims between the parties as of the effective date of Contract

The Contractor hereby certifies that the information provided above is true, correct and complete to the best of his or her knowledge and understanding.

Signature

Date

Title

REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary of LaborU.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON D.C. 20210Diane C. Koplewski Division of
Director Wage DeterminationsWage Determination No.: 2005-2103
Revision No.: 14
Date Of Revision: 07/25/2014

States: District of Columbia, Maryland, Virginia

Area: District of Columbia Statewide
Maryland Counties of Calvert, Charles, Frederick, Montgomery, Prince
George's, St Mary's
Virginia Counties of Alexandria, Arlington, Fairfax, Falls Church, Fauquier,
King George, Loudoun, Prince William, Stafford

Fringe Benefits Required Follow the Occupational Listing

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
01000 - Administrative Support And Clerical Occupations		
01011 - Accounting Clerk I		15.08
01012 - Accounting Clerk II		16.92
01013 - Accounting Clerk III		22.30
01020 - Administrative Assistant		31.41
01040 - Court Reporter		21.84
01051 - Data Entry Operator I		14.38
01052 - Data Entry Operator II		15.69
01060 - Dispatcher, Motor Vehicle		17.87
01070 - Document Preparation Clerk		14.21
01090 - Duplicating Machine Operator		14.21
01111 - General Clerk I		14.88
01112 - General Clerk II		16.24
01113 - General Clerk III		18.74
01120 - Housing Referral Assistant		25.29
01141 - Messenger Courier		13.62
01191 - Order Clerk I		15.12
01192 - Order Clerk II		16.50
01261 - Personnel Assistant (Employment) I		18.15
01262 - Personnel Assistant (Employment) II		20.32
01263 - Personnel Assistant (Employment) III		22.65
01270 - Production Control Clerk		22.03
01280 - Receptionist		14.43
01290 - Rental Clerk		16.55
01300 - Scheduler, Maintenance		18.07
01311 - Secretary I		18.07
01312 - Secretary II		20.18
01313 - Secretary III		25.29
01320 - Service Order Dispatcher		16.98
01410 - Supply Technician		28.55
01420 - Survey Worker		20.03
01531 - Travel Clerk I		13.29
01532 - Travel Clerk II		14.36
01533 - Travel Clerk III		15.49
01611 - Word Processor I		15.63
01612 - Word Processor II		17.67
01613 - Word Processor III		19.95
05000 - Automotive Service Occupations		
05005 - Automobile Body Repairer, Fiberglass		25.26
05010 - Automotive Electrician		23.51
05040 - Automotive Glass Installer		22.15
05070 - Automotive Worker		22.15
05110 - Mobile Equipment Servicer		19.04
05130 - Motor Equipment Metal Mechanic		24.78
05160 - Motor Equipment Metal Worker		22.15
05190 - Motor Vehicle Mechanic		24.78
05220 - Motor Vehicle Mechanic Helper		18.49
05250 - Motor Vehicle Upholstery Worker		21.63
05280 - Motor Vehicle Wrecker		22.15
05310 - Painter, Automotive		23.51
05340 - Radiator Repair Specialist		22.15
05370 - Tire Repairer		14.44
05400 - Transmission Repair Specialist		24.78
07000 - Food Preparation And Service Occupations		
07010 - Baker		13.85
07041 - Cook I		12.55
07042 - Cook II		14.60

07070	- Dishwasher	10.11
07130	- Food Service Worker	10.66
07210	- Meat Cutter	18.08
07260	- Waiter/Waitress	9.70
09000	- Furniture Maintenance And Repair Occupations	
09010	- Electrostatic Spray Painter	19.86
09040	- Furniture Handler	14.06
09080	- Furniture Refinisher	20.23
09090	- Furniture Refinisher Helper	15.52
09110	- Furniture Repairer, Minor	17.94
09130	- Upholsterer	19.86
11000	- General Services And Support Occupations	
11030	- Cleaner, Vehicles	10.54
11060	- Elevator Operator	10.54
11090	- Gardener	17.52
11122	- Housekeeping Aide	11.83
11150	- Janitor	11.83
11210	- Laborer, Grounds Maintenance	13.07
11240	- Maid or Houseman	11.26
11260	- Pruner	11.58
11270	- Tractor Operator	16.04
11330	- Trail Maintenance Worker	13.07
11360	- Window Cleaner	12.85
12000	- Health Occupations	
12010	- Ambulance Driver	20.41
12011	- Breath Alcohol Technician	20.27
12012	- Certified Occupational Therapist Assistant	23.11
12015	- Certified Physical Therapist Assistant	21.43
12020	- Dental Assistant	17.18
12025	- Dental Hygienist	44.75
12030	- EKG Technician	27.67
12035	- Electroneurodiagnostic Technologist	27.67
12040	- Emergency Medical Technician	20.41
12071	- Licensed Practical Nurse I	19.07
12072	- Licensed Practical Nurse II	21.35
12073	- Licensed Practical Nurse III	24.13
12100	- Medical Assistant	15.01
12130	- Medical Laboratory Technician	18.04
12160	- Medical Record Clerk	17.42
12190	- Medical Record Technician	19.50
12195	- Medical Transcriptionist	18.77
12210	- Nuclear Medicine Technologist	37.60
12221	- Nursing Assistant I	10.80
12222	- Nursing Assistant II	12.14
12223	- Nursing Assistant III	13.98
12224	- Nursing Assistant IV	15.69
12235	- Optical Dispenser	20.17
12236	- Optical Technician	15.80
12250	- Pharmacy Technician	18.12
12280	- Phlebotomist	15.69
12305	- Radiologic Technologist	31.11
12311	- Registered Nurse I	27.64
12312	- Registered Nurse II	33.44
12313	- Registered Nurse II, Specialist	33.44
12314	- Registered Nurse III	40.13
12315	- Registered Nurse III, Anesthetist	40.13
12316	- Registered Nurse IV	48.10
12317	- Scheduler (Drug and Alcohol Testing)	21.73
13000	- Information And Arts Occupations	
13011	- Exhibits Specialist I	19.86
13012	- Exhibits Specialist II	24.61
13013	- Exhibits Specialist III	30.09
13041	- Illustrator I	20.48
13042	- Illustrator II	25.38
13043	- Illustrator III	31.03
13047	- Librarian	33.88
13050	- Library Aide/Clerk	14.21
13054	- Library Information Technology Systems Administrator	30.60
13058	- Library Technician	19.89
13061	- Media Specialist I	18.73
13062	- Media Specialist II	20.95
13063	- Media Specialist III	23.36
13071	- Photographer I	16.65
13072	- Photographer II	18.90
13073	- Photographer III	23.67
13074	- Photographer IV	28.65
13075	- Photographer V	33.76
13110	- Video Teleconference Technician	20.39
14000	- Information Technology Occupations	
14041	- Computer Operator I	18.92

14042	- Computer Operator II	21.18
14043	- Computer Operator III	23.60
14044	- Computer Operator IV	26.22
14045	- Computer Operator V	29.05
14071	- Computer Programmer I	(see 1) 26.36
14072	- Computer Programmer II	(see 1)
14073	- Computer Programmer III	(see 1)
14074	- Computer Programmer IV	(see 1)
14101	- Computer Systems Analyst I	(see 1)
14102	- Computer Systems Analyst II	(see 1)
14103	- Computer Systems Analyst III	(see 1)
14150	- Peripheral Equipment Operator	18.92
14160	- Personal Computer Support Technician	26.22
15000	- Instructional Occupations	
15010	- Aircrew Training Devices Instructor (Non-Rated)	36.47
15020	- Aircrew Training Devices Instructor (Rated)	44.06
15030	- Air Crew Training Devices Instructor (Pilot)	52.81
15050	- Computer Based Training Specialist / Instructor	36.47
15060	- Educational Technologist	35.31
15070	- Flight Instructor (Pilot)	52.81
15080	- Graphic Artist	26.80
15090	- Technical Instructor	25.08
15095	- Technical Instructor/Course Developer	30.67
15110	- Test Proctor	20.20
15120	- Tutor	20.20
16000	- Laundry, Dry-Cleaning, Pressing And Related Occupations	
16010	- Assembler	9.88
16030	- Counter Attendant	9.88
16040	- Dry Cleaner	12.94
16070	- Finisher, Flatwork, Machine	9.88
16090	- Presser, Hand	9.88
16110	- Presser, Machine, Drycleaning	9.88
16130	- Presser, Machine, Shirts	9.88
16160	- Presser, Machine, Wearing Apparel, Laundry	9.88
16190	- Sewing Machine Operator	13.78
16220	- Tailor	14.66
16250	- Washer, Machine	10.88
19000	- Machine Tool Operation And Repair Occupations	
19010	- Machine-Tool Operator (Tool Room)	21.14
19040	- Tool And Die Maker	23.38
21000	- Materials Handling And Packing Occupations	
21020	- Forklift Operator	18.02
21030	- Material Coordinator	22.03
21040	- Material Expediter	22.03
21050	- Material Handling Laborer	13.83
21071	- Order Filler	15.09
21080	- Production Line Worker (Food Processing)	18.02
21110	- Shipping Packer	15.09
21130	- Shipping/Receiving Clerk	15.09
21140	- Store Worker I	11.72
21150	- Stock Clerk	16.86
21210	- Tools And Parts Attendant	18.02
21410	- Warehouse Specialist	18.02
23000	- Mechanics And Maintenance And Repair Occupations	
23010	- Aerospace Structural Welder	27.21
23021	- Aircraft Mechanic I	25.83
23022	- Aircraft Mechanic II	27.21
23023	- Aircraft Mechanic III	28.53
23040	- Aircraft Mechanic Helper	17.54
23050	- Aircraft, Painter	24.73
23060	- Aircraft Servicer	19.76
23080	- Aircraft Worker	21.01
23110	- Appliance Mechanic	21.75
23120	- Bicycle Repairer	14.43
23125	- Cable Splicer	26.02
23130	- Carpenter, Maintenance	21.40
23140	- Carpet Layer	20.49
23160	- Electrician, Maintenance	27.98
23181	- Electronics Technician Maintenance I	24.94
23182	- Electronics Technician Maintenance II	26.47
23183	- Electronics Technician Maintenance III	27.89
23260	- Fabric Worker	19.13
23290	- Fire Alarm System Mechanic	22.91
23310	- Fire Extinguisher Repairer	17.62
23311	- Fuel Distribution System Mechanic	22.81
23312	- Fuel Distribution System Operator	19.38
23370	- General Maintenance Worker	21.43
23380	- Ground Support Equipment Mechanic	25.83
23381	- Ground Support Equipment Servicer	19.76
23382	- Ground Support Equipment Worker	21.01
23391	- Gunsmith I	17.62

23392	- Gunsmith II	20.49
23393	- Gunsmith III	22.91
23410	- Heating, Ventilation And Air-Conditioning Mechanic	23.89
23411	- Heating, Ventilation And Air Contditioning Mechanic (Research Facility)	25.17
23430	- Heavy Equipment Mechanic	22.91
23440	- Heavy Equipment Operator	22.91
23460	- Instrument Mechanic	22.59
23465	- Laboratory/Shelter Mechanic	21.75
23470	- Laborer	14.98
23510	- Locksmith	21.90
23530	- Machinery Maintenance Mechanic	23.12
23550	- Machinist, Maintenance	22.91
23580	- Maintenance Trades Helper	18.27
23591	- Metrology Technician I	22.59
23592	- Metrology Technician II	23.80
23593	- Metrology Technician III	24.96
23640	- Millwright	28.19
23710	- Office Appliance Repairer	22.96
23760	- Painter, Maintenance	21.75
23790	- Pipefitter, Maintenance	24.63
23810	- Plumber, Maintenance	22.29
23820	- Pneudraulic Systems Mechanic	22.91
23850	- Rigger	22.91
23870	- Scale Mechanic	20.49
23890	- Sheet-Metal Worker, Maintenance	22.91
23910	- Small Engine Mechanic	20.49
23931	- Telecommunications Mechanic I	29.95
23932	- Telecommunications Mechanic II	31.55
23950	- Telephone Lineman	27.41
23960	- Welder, Combination, Maintenance	22.91
23965	- Well Driller	22.91
23970	- Woodcraft Worker	22.91
23980	- Woodworker	17.62
24000	- Personal Needs Occupations	
24570	- Child Care Attendant	12.79
24580	- Child Care Center Clerk	17.77
24610	- Chore Aide	10.57
24620	- Family Readiness And Support Services Coordinator	16.90
24630	- Homemaker	18.43
25000	- Plant And System Operations Occupations	
25010	- Boiler Tender	27.30
25040	- Sewage Plant Operator	20.84
25070	- Stationary Engineer	27.30
25190	- Ventilation Equipment Tender	19.49
25210	- Water Treatment Plant Operator	20.84
27000	- Protective Service Occupations	
27004	- Alarm Monitor	20.57
27007	- Baggage Inspector	12.71
27008	- Corrections Officer	22.80
27010	- Court Security Officer	24.72
27030	- Detection Dog Handler	20.57
27040	- Detention Officer	22.80
27070	- Firefighter	24.63
27101	- Guard I	12.71
27102	- Guard II	20.57
27131	- Police Officer I	26.52
27132	- Police Officer II	29.67
28000	- Recreation Occupations	
28041	- Carnival Equipment Operator	13.59
28042	- Carnival Equipment Repairer	14.63
28043	- Carnival Equipment Worker	9.24
28210	- Gate Attendant/Gate Tender	13.01
28310	- Lifeguard	11.59
28350	- Park Attendant (Aide)	14.56
28510	- Recreation Aide/Health Facility Attendant	10.62
28515	- Recreation Specialist	18.04
28630	- Sports Official	11.59
28690	- Swimming Pool Operator	18.21
29000	- Stevedoring/Longshoremen Occupational Services	
29010	- Blocker And Bracer	23.13
29020	- Hatch Tender	23.13
29030	- Line Handler	23.13
29041	- Stevedore I	21.31
29042	- Stevedore II	24.24
30000	- Technical Occupations	
30010	- Air Traffic Control Specialist, Center (HFO) (see 2)	39.92
30011	- Air Traffic Control Specialist, Station (HFO) (see 2)	26.84
30012	- Air Traffic Control Specialist, Terminal (HFO) (see 2)	29.56

30021 - Archeological Technician I	20.19
30022 - Archeological Technician II	22.60
30023 - Archeological Technician III	27.98
30030 - Cartographic Technician	27.98
30040 - Civil Engineering Technician	26.41
30061 - Drafter/CAD Operator I	20.19
30062 - Drafter/CAD Operator II	22.60
30063 - Drafter/CAD Operator III	25.19
30064 - Drafter/CAD Operator IV	31.00
30081 - Engineering Technician I	22.92
30082 - Engineering Technician II	25.72
30083 - Engineering Technician III	28.79
30084 - Engineering Technician IV	35.64
30085 - Engineering Technician V	43.61
30086 - Engineering Technician VI	52.76
30090 - Environmental Technician	27.41
30210 - Laboratory Technician	23.38
30240 - Mathematical Technician	28.94
30361 - Paralegal/Legal Assistant I	21.36
30362 - Paralegal/Legal Assistant II	26.47
30363 - Paralegal/Legal Assistant III	32.36
30364 - Paralegal/Legal Assistant IV	39.16
30390 - Photo-Optics Technician	27.98
30461 - Technical Writer I	21.93
30462 - Technical Writer II	26.84
30463 - Technical Writer III	32.47
30491 - Unexploded Ordnance (UXO) Technician I	24.74
30492 - Unexploded Ordnance (UXO) Technician II	29.93
30493 - Unexploded Ordnance (UXO) Technician III	35.88
30494 - Unexploded (UXO) Safety Escort	24.74
30495 - Unexploded (UXO) Sweep Personnel	24.74
30620 - Weather Observer, Combined Upper Air Or Surface Programs	(see 2) 25.19
30621 - Weather Observer, Senior	(see 2) 27.98
31000 - Transportation/Mobile Equipment Operation Occupations	
31020 - Bus Aide	14.32
31030 - Bus Driver	20.85
31043 - Driver Courier	13.98
31260 - Parking and Lot Attendant	10.07
31290 - Shuttle Bus Driver	15.66
31310 - Taxi Driver	13.98
31361 - Truckdriver, Light	15.66
31362 - Truckdriver, Medium	17.90
31363 - Truckdriver, Heavy	19.18
31364 - Truckdriver, Tractor-Trailer	19.18
99000 - Miscellaneous Occupations	
99030 - Cashier	10.03
99050 - Desk Clerk	11.58
99095 - Embalmer	23.05
99251 - Laboratory Animal Caretaker I	11.30
99252 - Laboratory Animal Caretaker II	12.35
99310 - Mortician	31.73
99410 - Pest Controller	17.69
99510 - Photofinishing Worker	13.20
99710 - Recycling Laborer	18.50
99711 - Recycling Specialist	22.71
99730 - Refuse Collector	16.40
99810 - Sales Clerk	12.09
99820 - School Crossing Guard	13.43
99830 - Survey Party Chief	21.94
99831 - Surveying Aide	13.63
99832 - Surveying Technician	20.85
99840 - Vending Machine Attendant	14.43
99841 - Vending Machine Repairer	18.73
99842 - Vending Machine Repairer Helper	14.43

ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:

HEALTH & WELFARE: \$4.02 per hour or \$160.80 per week or \$696.79 per month

VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor; 3 weeks after 5 years, and 4 weeks after 15 years. Length of service includes the whole span of continuous service with the present contractor or successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of ten paid holidays per year, New Year's Day, Martin Luther King Jr's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) COMPUTER EMPLOYEES: Under the SCA at section 8(b), this wage determination does not apply to any employee who individually qualifies as a bona fide executive, administrative, or professional employee as defined in 29 C.F.R. Part 541. Because most Computer System Analysts and Computer Programmers who are compensated at a rate not less than \$27.63 (or on a salary or fee basis at a rate not less than \$455 per week) an hour would likely qualify as exempt computer professionals, (29 C.F.R. 541.400) wage rates may not be listed on this wage determination for all occupations within those job families. In addition, because this wage determination may not list a wage rate for some or all occupations within those job families if the survey data indicates that the prevailing wage rate for the occupation equals or exceeds \$27.63 per hour conformances may be necessary for certain nonexempt employees. For example, if an individual employee is nonexempt but nevertheless performs duties within the scope of one of the Computer Systems Analyst or Computer Programmer occupations for which this wage determination does not specify an SCA wage rate, then the wage rate for that employee must be conformed in accordance with the conformance procedures described in the conformance note included on this wage determination.

Additionally, because job titles vary widely and change quickly in the computer industry, job titles are not determinative of the application of the computer professional exemption. Therefore, the exemption applies only to computer employees who satisfy the compensation requirements and whose primary duty consists of:

(1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;

(2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;

(3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or

(4) A combination of the aforementioned duties, the performance of which requires the same level of skills. (29 C.F.R. 541.400).

2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty, you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am. If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek, you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

HAZARDOUS PAY DIFFERENTIAL: An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance, explosives, and incendiary materials. This includes work such as screening, blending, dying, mixing, and pressing of sensitive ordnance, explosives, and pyrotechnic compositions such as lead azide, black powder and photoflash powder. All dry-house activities involving propellants or explosives.

Demilitarization, modification, renovation, demolition, and maintenance operations on sensitive ordnance, explosives and incendiary materials. All operations involving regrading and cleaning of artillery ranges.

A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with, or in close proximity to ordnance, (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands, face, or arms of the employee engaged in the operation, irritation of the skin, minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving, unloading, storage, and hauling of ordnance, explosive, and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordnance, explosives, and incendiary material differential pay.

**** UNIFORM ALLOWANCE ****

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage

determination. The Department of Labor will accept payment in accordance with the following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of \$3.35 per week (or \$.67 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.

The duties of employees under job titles listed are those described in the "Service Contract Act Directory of Occupations", Fifth Edition, April 2006, unless otherwise indicated. Copies of the Directory are available on the Internet. A links to the Directory may be found on the WHD home page at <http://www.dol.gov/esa/whd/> or through the Wage Determinations On-Line (WDOL) Web site at <http://wdol.gov/>.

REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE {Standard Form 1444 (SF 1444)}

Conformance Process:

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed classes of employees shall be paid the monetary wages and furnished the fringe benefits as are determined. Such conforming process shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees. The conformed classification, wage rate, and/or fringe benefits shall be retroactive to the commencement date of the contract. {See Section 4.6 (C)(vi)} When multiple wage determinations are included in a contract, a separate SF 1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

- 1) When preparing the bid, the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s).
- 2) After contract award, the contractor prepares a written report listing in order proposed classification title(s), a Federal grade equivalency (FGE) for each proposed classification(s), job description(s), and rationale for proposed wage rate(s), including information regarding the agreement or disagreement of the authorized representative of the employees involved, or where there is no authorized representative, the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work.
- 3) The contracting officer reviews the proposed action and promptly submits a report of the action, together with the agency's recommendations and pertinent information including the position of the contractor and the employees, to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, for review. (See section 4.6(b)(2) of Regulations 29 CFR Part 4).
- 4) Within 30 days of receipt, the Wage and Hour Division approves, modifies, or disapproves the action via transmittal to the agency contracting officer, or notifies the contracting officer that additional time will be required to process the request.
- 5) The contracting officer transmits the Wage and Hour decision to the contractor.
- 6) The contractor informs the affected employees.

Information required by the Regulations must be submitted on SF 1444 or bond paper.

When preparing a conformance request, the "Service Contract Act Directory of Occupations" (the Directory) should be used to compare job definitions to insure that duties requested are not performed by a classification already listed in the wage determination. Remember, it is not the job title, but the required tasks that determine whether a class is included in an established wage determination.

Conformances may not be used to artificially split, combine, or subdivide classifications listed in the wage determination.

BIDDER/OFFEROR CERTIFICATION FORM

COMPLETION

The person(s) completing this form must be knowledgeable about the bidder's/offeree's business and operations.

RESPONSES

Every question must be answered. Each response must provide all relevant information that can be obtained within the limits of the law. Individuals and sole proprietors may use a Social Security number but are encouraged to obtain and use a federal Employer Identification Number (EIN). Provide any explanation at the end of the section or attach additional sheets with numbered responses. Include the bidder's/offeree's name at the top of each attached page.

GENERAL INSTRUCTIONS

This form contains four (4) sections. Section I concerns the bidder's/offeree's responsibility; Section II includes additional required certifications; Section III relates to the Buy American Act (if applicable); and Section IV requires the bidder's/offeree's signature.

SECTION I. BIDDER/OFFEROR RESPONSIBILITY CERTIFICATION

Instructions for Section I: Section I contains eight (8) parts. Part 1 requests information concerning the bidder's/offeree's business entity. Part 2 inquires about current or former owners, partners, directors, officers or principals. Part 3 relates to the responsibility of the bidder's/offeree's business. Part 4 concerns the bidder's/offeree's business certificates and licenses. Part 5 inquires about legal proceedings. Part 6 relates to the bidder's/offeree's financial and organizational status. Part 7 requires the bidder/offeree to agree to update the information provided. Part 8 relates to disclosures under the District of Columbia Freedom of Information Act (FOIA).

PART 1: BIDDER/OFFEROR INFORMATION

Legal Business Entity Name: Paymentech, LLC	Solicitation #: Contract No. CFOPD-15-C-002	
Address of the Principal Place of Business (street, city, state, zip code) 14221 Dallas Parkway, Dallas, TX 75254	Telephone # and ext.: 630.689.1632	Fax #: 630.345.9446
Email Address: matt.leman@jpmorgan.com	Website: www.jpmorgan.com	

Additional Legal Business Entity Identities: If applicable, list any other DBA, Trade Name, Former Name, Other Identity and EIN used in the last five (5) years and the status (active or inactive).

Type:	Name:	EIN:	Status:
D/B/A	J.P. Morgan	N/A	N/A

1.1 Business Type (Please check the appropriate box and provide additional information if necessary.):

☐ Corporation (including PC)	Date of Incorporation:
☐ Joint Venture	Date of Organization:
☒ Limited Liability Company (LLC or PLLC)	Date of Organization: June 6, 1985
☐ Nonprofit Organization	Date of Organization:
☐ Partnership (including LLP, LP or General)	Date of Registration or Establishment:
☐ Sole Proprietor	How many years in business?:
☐ Other	Date established?:

If "Other," please explain:

1.2 Was the bidder's/offeree's business formed or incorporated in the District of Columbia?

☐ Yes ☒ No

If "No" to Subpart 1.2, provide the jurisdiction where the bidder's/offeree's business was formed or incorporated. Attach a Certificate or Letter of Good Standing from the applicable jurisdiction and a certified Application for Authority from the District, or provide an explanation if the documents are not available.

State Delaware Country USA

1.3 Please provide a copy of each District of Columbia license, registration or certification that the bidder/offeree is required by law to obtain (other than those provided in Subpart 1.2). If the bidder/offeree is not providing a copy of its license, registration or certification to transact business in the District of Columbia, it shall either:

- (a) Certify its intent to obtain the necessary license, registration or certification prior to contract award; or
 (b) Explain its exemption from the requirement. EXPLANATION - A FRANCHISE TAX ACCOUNT STATUS PRINTOUT CAN BE PROVIDED

PART 2: INDIVIDUAL RESPONSIBILITY

PAYMENTECH, LLC		<i>Additional Instructions for Section I, Parts 2 through 8: Provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s).</i>	
Within the past five (5) years, has any current or former owner, partner, director, officer, principal or any person in a position involved in the administration of funds, or currently or formerly having the authority to sign, execute or approve bids, proposals, contracts or supporting documentation on behalf of the bidder/offeror with any government entity to the best of your knowledge without inquiry:			
2.1 Been sanctioned or proposed for sanction relative to any business or professional permit or license?		☐ Yes	☒ No
2.2 Been under suspension, debarment, voluntary exclusion or determined ineligible under any federal, District or state statutes?		☐ Yes	☒ No
2.3 Been proposed for suspension or debarment?		☐ Yes	☒ No
2.4 Been the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation for any business-related conduct?		☐ Yes	☒ No
2.5 Been charged with a misdemeanor or felony, indicted, granted immunity, convicted of a crime, or subject to a judgment or a plea bargain for:		☐ Yes	☒ No
(a) Any business-related activity; or (b) Any crime the underlying conduct of which was related to truthfulness?			
2.6 Been suspended, cancelled, terminated or found non-responsible on any government contract, or had a surety called upon to complete an awarded contract?		☐ Yes	☒ No
Please provide an explanation for each "Yes" in Part 2.			
PART 3: BUSINESS RESPONSIBILITY			
Within the past five (5) years, has the bidder/offeror to the best of your knowledge without inquiry:			
3.1 Been under suspension, debarment, voluntary exclusion or determined ineligible under any federal, District or state statutes?		☐ Yes	☒ No
3.2 Been proposed for suspension or debarment?		☐ Yes	☒ No
3.3 Been the subject of an investigation, whether open or closed, by any government entity for a civil or criminal violation for any business-related conduct?		☐ Yes	☒ No
3.4 Been charged with a misdemeanor or felony, indicted, granted immunity, convicted of a crime, or subject to a judgment or plea bargain for:		☐ Yes	☒ No
(a) Any business-related activity; or (b) Any crime the underlying conduct of which was related to truthfulness?			
3.5 Been disqualified or proposed for disqualification on any government permit or license?		☐ Yes	☒ No
3.6 Been denied a contract award or had a bid or proposal rejected based upon a non-responsibility finding by a government entity?		☐ Yes	☒ No
3.7 Had a low bid or proposal rejected on a government contract for failing to make good faith efforts on any Certified Business Enterprise goal or statutory affirmative action requirements on a previously held contract?		☐ Yes	☒ No
3.8 Been suspended, cancelled, terminated or found non-responsible on any government contract, or had a surety called upon to complete an awarded contract?		☐ Yes	☒ No
Please provide an explanation for each "Yes" in Part 3.			
PART 4: CERTIFICATES AND LICENSES			
Within the past five (5) years, has the bidder/offeror to the best of your knowledge without inquiry:			
4.1 Had a denial, decertification, revocation or forfeiture of District of Columbia certification of any Certified Business Enterprise or federal certification of Disadvantaged Business Enterprise status for other than a change of ownership?		☐ Yes	☒ No
Please provide an explanation for "Yes" in Subpart 4.1.			
4.2 Please provide a copy of the bidder's/offeror's District of Columbia Office of Tax and Revenue Tax Certification Affidavit.			
PART 5: LEGAL PROCEEDINGS			
Within the past five (5) years, has the bidder/offeror to the best of your knowledge without inquiry:			
5.1 Had any liens or judgments (not including UCC filings) over \$25,000 filed against it which remain undischarged? JPMorgan Chase & Co. and/or its subsidiaries (collectively, the "Firm") are defendants or putative defendants in numerous legal proceedings, including private civil litigations and regulatory/government investigations. The litigations range from individual actions involving a single plaintiff to class action lawsuits with potentially millions of class members. Investigations involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations. These legal proceedings are at varying stages of adjudication, arbitration or investigation, and involve each of the Firm's lines of business and geographies and a wide variety of claims (including common law tort and contract claims and statutory antitrust, securities and consumer protection claims), some of which present novel legal theories. Based on current knowledge, the Firm believes it has asserted meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings, intends to defend itself vigorously in all such matters and does not believe that any pending legal proceeding would have a material effect on the Firm's performance of the services contemplated by the Request for Proposal. For further discussion, please refer to JPMorgan Chase & Co.'s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission.		☐ Yes	☐ No

Paymentech, LLC If "Yes" to Subpart 5.1, provide an explanation of the issue(s), relevant dates, the Lien Holder or Claimant's name, the amount of the lien(s) and the current status of the issue(s).	
5.2 Had a government entity find a willful violation of District of Columbia compensation or prevailing wage laws, the Service Contract Act or the Davis-Bacon Act? Please see response to 5.1 above	☐ Yes ☐ No
PAYMENTECH, LLC 5.3 Received any OSHA citation and Notification of Penalty containing a violation classified as serious or willful? Please see response to 5.1 above. Please see response to 5.1 above Please provide an explanation for each "Yes" in Part 5.	
PART 6: FINANCIAL AND ORGANIZATIONAL INFORMATION	
6.1 Within the past five (5) years, has the bidder/offeror received any formal unsatisfactory performance assessment(s) from any government entity on any contract to the best of your knowledge without inquiry?	☐ Yes ☒ No
If "Yes" to Subpart 6.1, provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s). J.P. Morgan is a large organization with thousands of contracts and it is possible that there has been some unsatisfactory performance assessment or issue with respect to a government entity. But to my personal knowledge, there has not been any.	
6.2 Within the past five (5) years, has the bidder/offeror had any liquidated damages assessed by a government entity over \$25,000 to the best of your knowledge without inquiry?	☐ Yes ☒ No
If "Yes" to Subpart 6.2, provide an explanation of the issue(s), relevant dates, the government entity involved, the amount assessed and the current status of the issue(s). J.P. Morgan is a large organization with thousands of contracts and it is possible that this has occurred. However, to my personal knowledge, there has not been any.	
6.3 Within the last seven (7) years, has the bidder/offeror initiated or been the subject of any bankruptcy proceedings, whether or not closed, or is any bankruptcy proceeding pending?	☐ Yes ☒ No
If "Yes" to Subpart 6.3, provide the bankruptcy chapter number, the court name and the docket number. Indicate the current status of the proceedings as "initiated," "pending" or "closed".	
6.4 During the past three (3) years, has the bidder/offeror failed to file a tax return or pay taxes required by federal, state, District of Columbia or local laws?	☐ Yes ☒ No
If "Yes" to Subpart 6.4, provide the taxing jurisdiction, the type of tax, the liability year(s), the tax liability amount the bidder/offeror failed to file/pay and the current status of the tax liability.	
6.5 During the past three (3) years, has the bidder/offeror failed to file a District of Columbia unemployment insurance return or failed to pay District of Columbia unemployment insurance?	☐ Yes ☒ No
If "Yes" to Subpart 6.5, provide the years the bidder/offeror failed to file the return or pay the insurance, explain the situation and any remedial or corrective action(s) taken and the current status of the issue(s).	
6.6 During the past three (3) years, has the bidder/offeror failed to comply with any payment agreement with the Internal Revenue Service, the District of Columbia Office of Tax and Revenue and the Department of Employment Services?	☐ Yes ☒ No
If "Yes" to Subpart 6.6, provide the years the bidder/offeror failed to comply with the payment agreement, explain the situation and any remedial or corrective action(s) taken and the current status of the issue(s).	
6.7 Indicate whether the bidder/offeror owes any outstanding debt (any extension of credit or other credit arrangement terms under which the bidder/offeror is in default as of the date this document is submitted) to any state, federal or District of Columbia government to the best of your knowledge without inquiry.	☐ Yes ☒ No
If "Yes" to Subpart 6.7, provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s).	

Paymentech, LLC	6.8 During the past three (3) years, has the bidder/offeror been audited by any government entity to the best of your knowledge without inquiry? Paymentech, LLC, as part of J.P. Morgan Chase Bank N.A., is chartered under federal law and is subject to volumes of bank regulations enforced by governmental bodies or agencies having supervisory authority. It is possible that audits have occurred related to this.	☐ Yes ☐ No
(a) If "Yes" to Subpart 6.8, did any audit of the bidder/offeror identify any significant deficiencies in internal controls, fraud or illegal acts; significant violations of provisions of contract or grant agreements; significant abuse; or any material disallowance? Please see the response to 6.8 above. Please note that, if an audit did occur and there were findings, it is quite possible that they would not be allowed to be shared.		☐ Yes ☐ No
(b) If "Yes" to Subpart 6.8(a), provide an explanation of the issue(s), relevant dates, the government entity involved, any remedial or corrective action(s) taken and the current status of the issue(s).		

PART 7: RESPONSE UPDATE REQUIREMENT

7.1 In accordance with the requirement of Section 302(c) of the Procurement Practices Reform Act of 2010 (D.C. Official Code § 2-353.02), the bidder/offeror shall update any response provided in Section I of this form during the term of this contract:

- (a) Within sixty (60) days of a material change to a response; and
- (b) Prior to the exercise of an option year contract.

PART 8: FREEDOM OF INFORMATION ACT (FOIA)

8.1 Indicate whether the bidder/offeror asserts that any information provided in response to a question in Section I is exempt from disclosure under the District of Columbia Freedom of Information Act (FOIA), effective March 25, 1977 (D.C. Law 1-96; D.C. Official Code §§ 2-531, et seq.). Include the question number(s) and explain the basis for the claim. (The District will determine whether such information is, in fact, exempt from FOIA at the time of request for disclosure under FOIA.)

☐ Yes ☒ No

PAYMENTECH, LLC

SECTION II. ADDITIONAL REQUIRED BIDDER/OFFEROR CERTIFICATIONS

Instructions for Section II: Section II contains four (4) parts. Part 1 requests information concerning District of Columbia employees. Part 2 applies to the bidder/offeror's pricing. Part 3 relates to equal employment opportunity requirements. Part 4 relates to First Source requirements.

PART 1. DISTRICT EMPLOYEES NOT TO BENEFIT

The bidder/offeror certifies that:

1.2 No person listed in the Standard Contract Provisions, "District Employees Not To Benefit", will benefit from this contract.

1.3 The following person(s) listed in clause 13 of the Standard Contract Provisions may benefit from this contract. (For each person listed, attach the affidavit required by clause 13.)

(a) _____

(b) _____

PART 2: INDEPENDENT PRICE DETERMINATION REQUIREMENTS

The bidder/offeror certifies that:

2.1 The signature of the bidder/offeror is considered to be a certification by the signatory that:

(a) The contract prices have been arrived at independently without, for the purpose of restricting competition, any consultation, communication or agreement with any bidder/offeror or competitor related to:

- (i) Those prices;
- (ii) The intention to submit a bid/proposal; or
- (iii) The methods or factors used to calculate the prices in the contract.

(b) The prices in this contract have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid/proposal opening unless otherwise required by law; and

(c) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a contract for the purpose of restricting competition.

2.2 The signature on the bid/proposal is considered to be a certification by the signatory that the signatory:

Paymentech, LLC (a) Is the person in the bidder's/offeror's organization responsible for determining the prices being offered in this contract, and that the signatory has not participated and will not participate in any action contrary to subparagraphs 2.1(a)(i) through (a)(iii) above; or
 (b) Has been authorized, in writing, to act as an agent for the following principal in certifying that the principal has not participated, and will not participate, in any action contrary to subparagraphs 2.1(a)(i) through (a)(iii) above:

Matthew P. Leman, Executive Director

[Insert full name of person(s) in the organization responsible for determining the prices offered in this contract and the title of his or her position in the bidder's/offeror's organization]

(i) As an authorized agent, certifies that the principals named in subparagraph 2.2(b) above have not participated, and will not participate, in any action contrary to subparagraphs 2.1(a)(i) through (a)(iii) above; and

(ii) As an agent, has not participated and will not participate in any action contrary to subparagraphs 2.1(a)(i) through (a)(iii) above.

2.3 If the bidder/offeror deletes or modifies subparagraph 2.1(b) above, the bidder/offeror must furnish with its bid a signed statement setting forth in detail the circumstances of the disclosure.

PART 3: EQUAL OPPORTUNITY OBLIGATIONS

3.1 I hereby certify that Paymentech, LLC will comply with all applicable federal equal opportunity laws while performing this contract.

PART 4: FIRST SOURCE OBLIGATIONS

4.1 Not Applicable

4.2 Not Applicable

SECTION III. BUY AMERICAN ACT CERTIFICATION

Instructions for Section III: Section III contains one (1) part which should only be completed if goods are being provided that are subject to the requirements of the Buy American Act.

PART 1: BUY AMERICAN ACT COMPLIANCE

1.1 Not Applicable

PAYMENTECH, LLC

EXCLUDED END PRODUCTS

COUNTRY OF ORIGIN

SECTION IV. CERTIFICATION

Instruction for Section IV: This section must be completed by all bidder/offerors.

I, [Matthew P. Leman], as the person authorized to sign these certifications, hereby certify that the information provided in this form is true and accurate to the best of my knowledge without inquiry.

Name [Print and sign]: Matthew P. Leman

Telephone #: 630.689.1632

Fax #: 630.345.9446

Title: Executive Director

Email Address: matt.leman@jpmorgan.com

Date: 10-Apr-17

The District of Columbia is hereby authorized to verify the above information with appropriate government authorities. Penalty for making false statements is a fine of not more than \$1,000.00, imprisonment for not more than 180 days, or both, as prescribed in D.C. Official Code § 22-2405. Penalty for false swearing is a fine of not more than \$2,500.00, imprisonment for not more than three (3) years, or both, as prescribed in D.C. Official Code § 22-2404.



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER**

DOING BUSINESS WITH INTEGRITY

Introduction

You are receiving this because you are a contractor or a vendor who does repeated business with the Office of the Chief Financial Officer (OCFO), Government of the District of Columbia, or you are an organization or individual outside the OCFO with whom we frequently interact.

Our purpose is to advise you of the high expectation of integrity that we strive to bring to bear in all of our business relationships.

Environment of Trust

The Office of the Chief Financial Officer is committed to maintaining working relationships that are founded on fair and honest exchanges in all of our business interactions. Our employees are held to high standards of ethical behavior in the conduct of their official business.

We want to share these expectations of ethical business practices with you to ensure that our business relationships are conducted with the highest level of honesty and integrity.

OCFO Code of Conduct for Employees

The OCFO Code of Conduct imparts three fundamental values for employees:

- Employees should conduct themselves in such a manner as to maintain and enhance the integrity and professional reputation of the OCFO organization
- Employees should not use their position to secure unwarranted privileges, awards, or exemptions for themselves or others
- Employees should avoid real or perceived conflicts of interest between the employee's private interest and the employee's official duties.

For your reference, the OCFO Code of Conduct can be accessed electronically at www.cfo.dc.gov. Go to Information, click on Integrity and Oversight, then click on Integrity Documents to reach the Code of Conduct.

Confidentiality of Financial and Other Information

We expect our employees to maintain absolute confidentiality concerning all information that they obtain, observe, or create relating to the financial affairs of those we do business with. We vigorously investigate any compromise of confidentiality by employees or any attempts to improperly obtain such information by private parties or businesses.

Bribery and Conflict of Interest

In addition to our standards of conduct, there are certain criminal statutes in the federal criminal code relating to bribery and conflict of interest that apply not only to employees of the federal government, but also to employees of the District of Columbia.

- The offer of anything of value in expectation of specific performance by a government employee is a crime, and even the appearance of such activity should be avoided.
- Employees may not accept anything of value (other than their government salaries) for the performance of their duties. This is outlined below under Gratuities and Other Gift Rules.
- Our employees are required to report all offers of bribes and gratuities to us, and we ensure that these matters are investigated and addressed. Likewise, we encourage anyone who believes they may have been solicited for a bribe or gratuity by an OCFO employee to report the matter immediately, as indicated at the end of this document.
- We also expect our employees to avoid conflicts of interest or the appearance of conflicts of interest. A particularly sensitive issue for government employees is the offer of employment with a company doing business with the OCFO. At any point when a government employee is considering employment with a private company that has a business relationship with the government, that employee must discontinue work on any assignment involving that company or face the very real possibility of violating conflict of interest statutes. This could also jeopardize the company's eligibility to be awarded government contracts.
- Employees are also expressly forbidden from performing official duties in situations involving friends, relatives or persons or businesses with whom they, or their family members, have a financial relationship. At any point where such a relationship is discovered or develops, the employee must discontinue their involvement in the official matter. For the employee and the business entity to continue to conduct official business after such a conflict is evident, would be inappropriate and possibly illegal.

Gratuities

It is always gratifying to hear that our staff has provided exemplary service to those with whom we do business. Sometimes, however, the expression of appreciation is made in a form that is inappropriate for government employees to accept.

OCFO employees are prohibited by law from accepting money or other things of value as an appreciation for a job well done. Sometimes even the mere offer of something of value may violate bribery and gratuity statutes. A more appropriate expression of gratitude for the service rendered is a letter to the employee's supervisor. If you don't know who that is, you may simply send your letter to the Office of the Chief Financial Officer, and it will be routed to the proper official.

Other Gift Rules

Gifts of food and/or beverages, even during holiday seasons and other celebratory occasions, are not acceptable if the giver has a business relationship of any kind with the D.C. Government. Such offers, while well-intentioned, tend to give the impression of a special relationship between the giver and the government employee.

This rule does not apply to the offer and acceptance of an insignificant item, such as a soft drink, coffee, donuts and other modest items of food and refreshments when not offered as part of a meal. Additional information on gift rules and exceptions is contained in OCFO Code of Conduct, which can be accessed electronically at www.cfo.dc.gov. Go to Information, click on Integrity and Oversight, then click on Integrity Documents to reach the Code of Conduct.

Compliance with Contracting Rules and Regulations

Ensuring compliance with the provisions of contracts is an important expectation of government employees. Even so, we have seen examples where the rules were not followed, usually based on the "need to get the job done." Such behavior puts both the government employee and the contractor in jeopardy.

If modifications to existing contracts are necessary, they should be formally pursued in accordance with OCFO contracting rules and regulations. No work outside the specifications of a contract should be performed without an approved contract modification. Performing work outside of contract specifications or beyond authorized funding, could result in a default for the contractor and denial of payment for such work. In the more extreme cases, failure to comply with contracting regulations could be considered fraud and may be investigated as a criminal violation.

Reporting Misconduct, Fraud, Waste and Abuse

The OCFO has a zero tolerance policy for fraud and misconduct involving its employees and programs. Similarly, we do not tolerate attempts to corrupt our employees.

The Office of Integrity and Oversight is an independent entity of the OCFO with responsibility for protecting the integrity of the OCFO and preventing fraud and other misconduct in OCFO programs. OIO conducts investigations of alleged employee misconduct and works closely with federal and District law enforcement agencies in investigating criminal offenses affecting the integrity of the OCFO.

We all want the government's business to be conducted fairly, impartially, and with the highest degree of integrity. The best way to ensure this is to report any indication that illegal acts or administrative misconduct may have occurred. Here is how you can report such matters, by telephone, in person, mail, or electronically:

OCFO Office of Integrity and Oversight

1100 4th Street, S.W.; Suite 750-E
Washington, DC 20024
(202) 442-6433

In addition to receiving your report, investigators are available to discuss any questions or concerns you may have about the matter. Reporting can also be done electronically at the OCFO website: www.cfo.dc.gov. Under Information, click on the Integrity and Oversight link, and then click on Reporting Incidents and Concerns.

OCFO Confidential Hotline

In order to address any concern about reporting anonymously, the OCFO has contracted with an independent, third-party organization that provides a confidential hotline service. This hotline is available for reporting allegations of OCFO employee misconduct, and fraud, waste and abuse involving OCFO programs.

Reports can be made by telephone to this toll-free hotline, which is staffed 24 hours a day, at 1-877-252-8805, or it can be accessed at www.ocfo.ethicspoint.com.

District of Columbia Office of the Inspector General

Reports of fraud, waste and abuse may be reported to the Office of the Inspector General by telephone at 1-800-521-1639, or electronically at www.oig.dc.gov.