



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Award Contract Grant

Requested Board Meeting Date: April 21, 2020

* = Mandatory, information must be provided

or Procurement Director Award

***Contractor/Vendor Name/Grantor (DBA):**

Bank of America N.A.

***Project Title/Description:**

Banking Services

***Purpose:**

Award: Master Agreement No. MA-PO-20-161. This Master Agreement is for an initial term of three (3) years in the annual award amount of \$0.00 and includes two (2) one-year renewal options.

Administering Department: Treasurer's Office

***Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.020, Competitive sealed proposals, Solicitation No. RFP-PO-2000011 was conducted. One (1) response was received. Award is to the responsive and responsible respondent submitting a qualified proposal.

This is a \$0.00 contract since it is not used for direct payment to the contractor. Per the Treasurer, investment earnings (revenue) offset Treasurer's expenses and Departments' expenses. The expenses are booked to the correct accounting strings, but no check is issued to Bank of America.

PRCUID: 369406

Attachments: Notice of Recommendation for Award and Professional Services Contract.

***Program Goals/Predicted Outcomes:**

Efficiently manage County funds and maximize revenues from County funds.

***Public Benefit:**

Provide efficient and fiscally responsible Banking Services.

***Metrics Available to Measure Performance:**

Contractor performance shall be monitored by the County Treasurer to assure the optimum services are provided to the County.

***Retroactive:**

No.

To: COB 04-15-2020(1)

Vers: 1

Pgs: 13

Addendum

Contract / Award Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 20-161

Effective Date: 07/01/2020 Termination Date: 06/30/2023 Prior Contract Number (Synergen/CMS):

Expense Amount: \$* 0.00 Revenue Amount: \$ 0.00

***Funding Source(s) required:**

Funding from General Fund? Yes No If Yes \$ %

Contract is fully or partially funded with Federal Funds? Yes No

If Yes, is the Contract to a vendor or subrecipient?

Were insurance or indemnity clauses modified? Yes No

If Yes, attach Risk's approval.

Vendor is using a Social Security Number? Yes No

If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: Department Code: Contract Number (i.e., 15-123):

Amendment No.: AMS Version No.:

Effective Date: New Termination Date:

Prior Contract No. (Synergen/CMS):

Expense or Revenue Increase Decrease Amount This Amendment: \$

Is there revenue included? Yes No If Yes \$

***Funding Source(s) required:**

Funding from General Fund? Yes No If Yes \$ %

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: Department Code: Grant Number (i.e., 15-123):

Effective Date: Termination Date: Amendment Number:

Match Amount: \$ Revenue Amount: \$

***All Funding Source(s) required:**

*Match funding from General Fund? Yes No If Yes \$ %

*Match funding from other sources? Yes No If Yes \$ %

***Funding Source:**

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**

Contact: Denise Waldo, Procurement Officer *DWaldo* Div. Mgr.

Department: Procurement *M. J. ...* Telephone: 724.8458

Department Director Signature/Date: *[Signature]* 4/13/2020

Deputy County Administrator Signature/Date: *[Signature]*

County Administrator Signature/Date: *C. K. ...* 4/14/2020
(Required for Board Agenda/Addendum Items)



NOTICE OF RECOMMENDATION FOR AWARD

Date of Issue: April 1, 2020

The Procurement Department hereby issues formal notice to respondents to Solicitation No. RFP-PO-2000011 for Banking Services that the following listed respondent will be recommended for award as indicated below. The award action is scheduled to be performed by the Board of Supervisors on or after April 21, 2020.

Award is recommended to the qualified proposal.

<u>AWARDEE NAME</u>	<u>ANNUAL AWARD AMOUNT</u>
Bank of America N.A.	\$0.00

OTHER RESPONDENT NAMES
None

Issued by: Denise Waldo, Procurement Officer

Telephone Number: 520.724.8458

This notice is in compliance with Pima County Procurement Code §11.12.010(C) and §11.20.010(C).

Copy to: Pima County SBE via e-mail at SBE@pima.gov.

mjf

Pima County Treasurer's Office

Project: Banking Services

Contractor: Bank of America National Association
100 North Tryon Street, Charlotte NC 28255

Amount: \$0.00

Contract No.: RFP-PO-2000011

Funding: General Fund

PROFESSIONAL SERVICES CONTRACT

1. Parties, Background and Purpose.

- 1.1. Parties. This Contract is between Pima County, a body politic and corporate of the State of Arizona ("County"), and Bank of America, NA, a national banking organization ("Contractor").
- 1.2. Authority. County selected Contractor pursuant to and consistent with Pima County Procurement Code 11.12.020 Competitive Sealed Proposals.
- 1.3. Solicitation. County previously issued Solicitation No. 2000011 for banking services as provided in A.R.S. § 35-325 (the "Solicitation"). Requirements and specifications contained in the Solicitation and all documents included in the Solicitation are incorporated into this Contract by reference. Contractor submitted the most advantageous response to the Solicitation.
- 1.4. Other Documents. Portions of the proposal submitted by Contractor in response to the Solicitation are incorporated into this Contract as provided in Exhibits A and B. Contractor's 2004 Treasury Terms & Conditions booklet ("T&C"), a copy of which is attached as Exhibit C, is also incorporated into this Contract. Provisions in the T&C that concern specific services will control over any conflicting provisions in this Contract, but in all other respects the terms of this Contract control over any conflicting provisions in the T&C. In addition to this Contract, County is entering into a separate contract entitled "Merchant Processing Agreement (Government)" ("**Merchant Services Agreement**") with Contractor and Banc of America Merchant Services, L.L.C.

2. Term.

- 2.1. Original Term. This Contract is effective for a three (3)-year period commencing on July 1, 2020 (the "Initial Term"). "Term," when used in this Contract, means the Initial Term, plus the Extension Option if exercised.
- 2.2. Extension Options. Contractor and County may extend the term of this Contract for two (2) additional years (the "Extension Option"). The Extension Option will be effective only upon execution by the Parties of a formal written amendment.

3. **Scope of Services**. Contractor will provide County with the services described in **Exhibit A: Scope of Services**, upon demand, in the manner provided in Exhibit A. The Services must comply with all requirements and specifications in the Solicitation.

4. **Key Personnel.** Contractor will employ suitably trained and skilled professional personnel to perform all consultant services under this Contract. Prior to changing any key personnel, especially those key personnel County relied upon in making this Contract, Contractor will work diligently to find a suitable replacement, and will endeavor to obtain the approval of County, although all personnel decisions must remain with the Contractor. The key personnel include the following staff:

Larry Glandon	Client Manager/Market Leader
Jeffery Moore	Client Manager
Aletia Ligon	Sales Support Associate
Yolanda Lometillo	Treasury Solutions Analyst
Noe Vasquez-Benitez	Dedicated Service Director

5. **Compensation and Payment.**

5.1. Rates; Adjustment. County will pay Contractor at the rates set forth in **Exhibit B: Compensation and Payment**. Those rates will remain in effect during the Extension Option period unless Contractor, at least 90 days before the end of the Initial Term, or at the time the County informs Contractor that the County intends to extend the Term, if that is earlier, notifies County in writing of any adjustments to those rates, and the reasons for the adjustments.

5.2. Sales Taxes. The payment amounts or rates in **Exhibit B** do not include sales taxes. Contractor may invoice County for sales taxes that Contractor is required to pay under this Contract. Contractor will show sales taxes as a separate line item on invoices.

5.3. Timing of Invoices. Contractor will invoice County, or debit County's account, on a monthly basis for the charges incurred by the County. Pursuant to A.R.S. § 11-622(C), County will not pay for any product or service invoiced or debited more than 6-months late.

5.4. Content of Invoices. Contractor will include detailed documentation in support of its invoices and assign each amount billed to an appropriate line item.

5.5. Invoice Adjustments. County may, at any time during the Term and during the retention period set forth in Section 23 below, question any payment under this Contract. If County raises a question about the propriety of a past payment, Contractor will cooperate with County in reviewing the payment. County may set-off any overpayment against amounts due to Contractor under this or any other contract between County and Contractor. Contractor will promptly pay to County any overpayment that County cannot recover by set-off.

5.6.1. All compensation to Contractor will be netted from the security purchase yield. All security transactions must be settled on a delivery versus payment basis at Pima County's custodian bank. Contractor also must cooperate with any safekeeping arrangements that the County has made.

5.6.2 For the period of record retention identified in section 23. Books and Records of this contract, County reserves the right to question any payment made to Contractor and to require reimbursement therefore by setoff or otherwise for payments determined to be improper or contrary to this Contract or law.

6. **Insurance.** Contractor will procure and maintain at its own expense insurance policies (the "Required Insurance") satisfying the below requirements (the "Insurance Requirements") until all of its obligations under this Contract have been met, provided that coverage is available at a commercially reasonable price, or may elect to self-insure. The below Insurance Requirements are minimum requirements for this Contract and in no way limit Contractor's indemnity obligations under this Contract. The County in no

way warrants that the required insurance is sufficient to protect the Contractor for liabilities that may arise from or relate to this Contract. If necessary, Contractor may obtain commercial umbrella or excess insurance to satisfy the Insurance Requirements.

6.1. Insurance Coverages and Limits:

6.1.1. Minimum Scope and Limits of Insurance: Contractor shall procure and maintain, until all of their obligations have been discharged, coverage with limits of liability not less than those stated below.

6.1.1.1. Commercial General Liability (CGL) – Occurrence Form with limits not less than \$2,000,000 Each Occurrence and \$2,000,000 General Aggregate. Policy shall include cover for liability arising from premises, operations, independent contractors, personal injury, bodily injury, broad form contractual liability and products-completed operations.

6.1.1.2. Business Automobile Liability – Coverage for bodily injury and property damage on any owned, leased, hired, and/or non-owned autos assigned to or used in the performance of this Contract with minimum limits not less than \$1,000,000 Each Accident.

6.1.1.3. Workers' Compensation and Employers' Liability – Statutory coverage for Workers' Compensation. Workers' Compensation statutory coverage is compulsory for employers of one or more employees. Employers Liability coverage with limits of \$1,000,000 each accident and \$1,000,000 each person – disease.

6.2. Additional Insurance Requirements:

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

6.2.1. Additional Insured Endorsement: The General Liability, Business Automobile Liability Policies shall include Pima County, its departments, districts, officials, agents, and employees as additional insureds via blanket endorsement with respect to liability arising out of the activities performed by or on behalf of the Contractor.

6.2.2. Subrogation Endorsement: The General Liability and Business Automobile Liability Policies shall each contain a blanket waiver of subrogation endorsement in favor of Pima County, and its departments, districts, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

6.2.3. Primary Insurance: The Contractor's General Liability and Automobile Liability policies shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by Pima County, its agents, officials, employees or Pima County shall be excess and not contributory insurance.

6.2.4. The Required Insurance policies may not obligate the County to pay any portion of a Contractor's deductible or Self Insurance Retention (SIR). Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

6.2.5. Insurer Financial Ratings: Coverage must be placed with insurers with A.M. Best rating of not less than A-VII.

6.2.6. Subcontractors: Contractor must either (a) include all subcontractors as additional insureds under its Required Insurance policies, or (b) require each subcontractor to

separately meet all Insurance Requirements and verify that each subcontractor has done so, Contractor must furnish, if requested by County, appropriate insurance certificates for each subcontractor. Contractor must obtain County's approval of any subcontractor request to modify the Insurance Requirements as to that subcontractor.

6.3. Notice of Cancellation:

For each insurance policy required by the insurance provisions of this Contract, the Contractor must endeavor to provide to Pima County, within thirty (30) business days of receipt of notice, if a policy is suspended, voided, or cancelled by the insurer for any reason. Such notice shall be mailed, emailed, hand-delivered or sent by facsimile transmission to the Pima County Contracting Representative. Notice shall include the Pima County project or contract number and project description.

6.4. Verification of Coverage:

6.4.1. Contractor shall furnish Pima County with certificates of insurance (valid ACORD form or equivalent approved by Pima County) as required by this Contract. An authorized representative of the insurer shall sign the certificates.

6.4.2. All certificates and endorsements, as required by this written agreement, are to be received and approved by Pima County before work commences. Failure to maintain the insurance coverages or policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

6.4.3. All certificates required by this Contract shall be sent directly to the appropriate County Department. The Certificate of Insurance shall include the Pima County project or contract number and project description on the certificate.

6.4.4. Contractors for larger projects must provide actual copies of the additional insured and subrogation endorsements.

7. **Indemnification.** Each party (as "indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "indemnitee") from and against any and all suits, actions, legal administrative proceedings, claims or demands and costs attendant thereto, arising out of any act, omission, fault or negligence by the indemnifying party or its agents, employees or anyone acting under its direction or control or on its behalf in connection with performance of this Contract. Each party's liability will be capped at the annual charges for services under this Agreement. The parties will also indemnify one another as provided in the T&C.

8. **Laws and Regulations.**

8.1. **Compliance with Laws.** Contractor will comply with all federal, state, and local laws, rules, regulations, standards, and Executive Orders, to the extent applicable to it as a federally regulated banking institution. Any changes in the governing laws, rules, and regulations during an agreement apply, but do not require an amendment or revisions.

8.2. **Licensing.** Contractor is appropriately licensed to provide the services under this Contract.

8.3. **Choice of Law; Venue.** The laws and regulations of the State of Arizona govern the rights and obligations of the parties under this Contract. Any action relating to this Contract must be filed and maintained in the appropriate court of the State of Arizona in Pima County.

9. **Independent Contractor.** Contractor is an independent contractor. Neither Contractor, nor any of Contractor's officers, agents, or employees will be considered an employee of Pima County for any purpose or be entitled to receive any employment-related benefits, or assert any protections, under the

Pima County Merit System. Contractor is responsible for paying all federal, state and local taxes on the compensation received by Contractor under this Contract.

10. **Subcontractors.** Contractor is responsible only for performing the services provided for in this Contract. If Contractor contracts with an outside subcontractor to provide any of the services, the subcontractor will be Contractor's agent only for performing the services provided for in this Contract, and Contractor will be responsible for the acts and omissions of such Subcontractor to the same extent as if the Contractor had performed such act or committed such omission directly. Nothing in this Contract creates any obligation on the part of County to pay or see to the payment of any money due any subcontractor, except as may be required by law.
11. **Assignment.** Contractor will not assign, transfer or convey any rights, obligations or interest under this contract without prior written consent of County, except to a wholly owned affiliate of Contractor or to an entity who purchases substantially all of Contractor's assets and liabilities. Any affiliate, successor owner or other party to whom the contract is assigned will conform to the terms, conditions and requirements of this Contract.
12. **Non-Discrimination.** Contractor will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this contract, including flow-down of all provisions and requirements to any subcontractors. During the performance of this Contract, Contractor will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability, or national origin.
13. **Americans with Disabilities Act.** Contractor will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.
14. **Authority to Contract.** Contractor has the authority to enter into this Contract. If any court or administrative agency determines that County does not have authority to enter into this Contract, County will not be liable to Contractor or any third party by reason of such determination or by reason of this Contract. Notwithstanding, the County will be liable to pay for services rendered prior to a determination that the County did not have authority to enter into this Contract. Contractor may off-set any unpaid service fees against any amounts due the County.
15. **Full and Complete Performance.** The failure of either party to insist, in one or more instances, upon the other party's full and complete performance under this Contract, or to take any action based on the other party's failure to fully and completely perform, is not a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future. The acceptance by either party of sums less than may be due and owing it at any time is not an accord and satisfaction.
16. **Conflict of Interest.** This Contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated into this Contract by reference.
17. **Termination.**
 - 17.1. Without Cause. County may terminate this Contract at any time by serving a written notice upon Contractor at least 30 days before the effective date of the termination. In the event of such termination, County's only obligation to Contractor will be payment for services rendered prior to the date of termination.
 - 17.2. With Cause. Either party may terminate this Contract at any time without advance notice and without further obligation to the other party in the event that other party has failed to comply with any material term of this Contract.
 - 17.3. Non-Appropriation. Notwithstanding any other provision in this Contract, County may terminate this Contract if for any reason there are not sufficient appropriated and available monies for the purpose of maintaining County or other public entity obligations under this Contract. In the event of

such termination, County will have no further obligation to Contractor, other than to pay for services rendered prior to termination.

18. **Notice.** Any notice required or permitted to be given under this Contract must be in writing and be served by personal delivery or by certified mail upon the other party as follows:

County:
Treasurer, Pima County
240 N. Stone Avenue
Tucson, AZ 85701

Contractor:
Municipal Banking Markets–Public Sector Banking
14636 N. Scottsdale RD.
Larry D. Glandon
SVP Market Leader/Client Manager
Tel: 480-624-0560

19. **Non-Exclusive Contract.** Contractor understands that this Contract is nonexclusive and is for the sole convenience of County. County reserves the right to obtain like services from other sources for any reason.
20. **Remedies.** Either party may pursue any remedies provided by law for the breach of this Contract. No right or remedy is intended to be exclusive of any other right or remedy and each is cumulative and in addition to any other right or remedy existing at law or at equity or by virtue of this Contract.
21. **Severability.** Each provision of this Contract stands alone, and any provision of this Contract found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Contract.
22. **Control of Data Provided by County.** For purposes of this Contract where County has provided data to enable the Contractor to provide contracted services or products, unless County otherwise specifies and agrees in writing, Contractor will treat, control and limit access to said information as confidential and will under no circumstances release any data provided by County during the term of this contract and thereafter, including but not limited to personal identifying information as defined by A.R.S. § 44-1373, unless required by law, rule or regulation to do so. In addition, the Contractor may disclose Confidential Information to its or its affiliates' respective directors, officers, employees, agents, legal counsel, accountants, and auditors in connection with providing the services under this Contract. Contractor is further prohibited from selling such data directly or through a third party. Upon termination or completion of the contract, Contractor will (subject to law, rule, regulation or Contractor's document retention guidelines) either return all such data to County or will destroy such data in a timely manner.
23. **Books and Records.** Contractor will keep and maintain proper and complete books, records which will be open at all reasonable times for inspection and audit by duly authorized representatives of County. County will coordinate any inspection with the Contractor's assigned Client Manager. In addition, Contractor will retain all records relating to this Contract for a rolling 7-year period or, if later, until any related pending proceeding or litigation has concluded.
24. **Public Records.**
- 24.1. **Disclosure.** Pursuant to A.R.S. § 39-121 et seq., all documents submitted in response to the solicitation resulting in award of this Contract, including, but not limited to, pricing schedules, product specifications, work plans, and any supporting documents, are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.
- 24.2. **Records Marked Confidential; Notice and Protective Order.** If Contractor reasonably believes that some of those records contain proprietary, trade-secret, or otherwise-confidential information, Contractor must prominently mark those records "CONFIDENTIAL." In the event a public-records request is submitted to County for records marked CONFIDENTIAL, County will notify Contractor of the request as soon as reasonably possible. County will release the records 10 business days after the date of that notice, unless Contractor has, within that period, secured an appropriate order from a court of competent jurisdiction, enjoining the release of the records. County will not, under any

circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.

25. **Legal Arizona Workers Act Compliance.** Contractor warrants its compliance with all federal immigration laws and regulations that relate to its employees and its compliance with § 23-214, subsection A, and will require any subcontractors providing services to the County under this Contract to warrant the same. A breach of this will be deemed a material breach of this Contract that is subject to penalties up to and including termination of the Contract. County retains the right, to the extent permitted by law, to inspect the papers of any Contractor or subcontractor employee who provides services under this Contract to ensure that the Contractor or subcontractor is complying with the warranty.
26. **Grant Compliance.** Not Applicable.
27. **Counterparts.** The parties may execute the Contract that County awards pursuant to the solicitation in any number of counterparts, each counterpart is considered an original, and together such counterparts constitute one and the same instrument.
28. **Amendment.** The parties may modify, amend, alter, or extend this Contract only by a written amendment signed by the parties.
29. **Israel Boycott Certification.** Pursuant to A.R.S. § 35-393.01, if Contractor engages in for-profit activity and has 10 or more employees, and if this Contract has a value of \$100,000.00 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of goods or services from Israel except as permitted by applicable federal law. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.
30. **Entire Agreement.** This document, including the other documents that have been incorporated into it, constitutes the entire agreement between the parties pertaining to the subject matter it addresses, and this Contract supersedes all prior or contemporaneous agreements and understandings, oral or written.

The remainder of this page is intentionally left blank.

APPROVED:

Chairman, Board of Supervisors

Date: _____

BANK OF AMERICA, N.A.

Larry D Glandon

Authorized Officer Signature

Larry Glandon, SVP, Market Leader
Printed Name and Title

Date: 04/13/2020

ATTEST:

Clerk of the Board

Date: _____

APPROVED AS TO FORM:

Regina L Nassen

Deputy County Attorney

Regina L. Nassen

EXHIBIT A
TO SERVICING BANK AGREEMENT
SCOPE OF SERVICES

The Servicing Bank will be required to act as the principal depository and banking agent for the Pima County Treasurer's Office. In such capacity, the Servicing Bank will be required to process the majority of the deposit and disbursement activity for all phases of county government, including the political subdivisions that maintain funds with the Pima County Treasurer. These activities include but are not limited to:

- accepting deposits
- paying checks and warrants
- issuing and receiving wire transfers of funds through the Federal Reserve System
- acceptance and disbursement of ACH transactions
- on-line banking services
- lockbox processing of tax payment receipts and potentially other receipts
- extension of unsecured Lines-of-Credit for each Pima County political subdivision and related transactions
- credit and debit card processing (Merchant services)
- internet payment gateway and support
- Purchase card and other contractor payment services
- securities Safekeeping and/or Custody services including receipt of securities, interest and dividend payments and redemptions of those securities.

There is no guarantee that Pima County will utilize all of those services and is not prohibited from soliciting comparable services from others. The credit and debit card processing services (Merchant services) are governed by Merchant Services Agreement.

Warrants must be presented to the Treasurer for payment. Credit must be provided to the Treasurer for any missing warrants. A grand total of all warrants paid must be provided. A primary service representative must be located in Arizona and be able to resolve any discrepancies or facilitate resolution of any discrepancies. All investment transactions must be settled Delivery vs. Payment. Investments must be registered in Pima County's name. The lockbox services must be located in the state of Arizona.

The primary banking relationship will be with the Pima County Treasurer who is responsible for most day-to-day banking activities for Pima County and some of its political subdivisions. In addition, other Pima County departments may have additional bank accounts, which are outside the control and authority of the Pima County Treasurer. The departments are responsible for these accounts and the fees incurred.

Pima County currently utilizes several bank accounts that are linked together, some that are on a "zero-balance" basis. All deposits are currently made to one Disbursement Servicing account. Checks issued by the Pima County Treasurer are also drawn on this account. The primary banking activity of the Pima County Treasurer flows through this account. Warrants issued by the political subdivisions are cleared through a separate account as payable through drafts. Each political subdivision is issued its own separately identifiable series of warrants. Since this

account is used as a clearing account and maintains a deficit balance, a Warrant Compensation account is maintained with a balance of the average of the preceding month's dollar volume of cleared and paid warrants to offset the deficit balance. The Pima County Treasurer also maintains a separate account for credit card, lockbox, internet deposit activity, ACH debit activity and an account used for a school districts benefits provider.

Warrant clearing activity is submitted to the County Treasurer via a secured FTP site. Images of the warrants must be provided to the Treasurer in specific format required by the Treasurer. The County Treasurer currently receives previous day reporting via the Internet. Some transactions are conducted on-line, such as wire transfer, ACH disbursements and stop pay transactions. The County Treasurer currently uses reverse positive pay as its fraud prevention to verify validity of checks/warrants presented for payment.

The Pima County Treasurer currently utilizes Safekeeping and/or Custody services for investments purchased by its brokers. Transactions must be settled Delivery v Payment and must be registered in Pima County's name.

This Scope of Services incorporates by reference *Exhibit A: Scope of Services (71 pages)* from the proposal submitted by the Servicing Bank.

EXHIBIT B
TO SERVICING BANK AGREEMENT
PAYMENT TERMS

Exhibit B: Compensation and Payment, and the Appendix attached to it (a total of 49 pages), which was submitted by the Servicing Bank as part of its response to the solicitation, is hereby incorporated into this Exhibit B.

4/14 Merchant Services Agreement still in process with Bank of America.

MERCHANT SERVICES AGREEMENT (GOVERNMENT)

PIMA COUNTY, ARIZONA

Table with 4 columns: CLIENT's Legal Name, Doing Business As, Street Address, City, State, Zip Code, CLIENT's business organization type, State of Organization, Taxpayer Identification Number.

Beth Ford, County Treasurer

Recipient/Title For Notices

This MERCHANT SERVICES AGREEMENT ("Agreement") is entered into by and among the undersigned client ("CLIENT"), BANK OF AMERICA, N.A. ("BANK") and BANC OF AMERICA MERCHANT SERVICES, LLC ("BAMS" and, together with BANK and any other third party providers who enter into Supplements to this Agreement in order to perform services hereunder, collectively, "SERVICERS") for the Services described in this Agreement and in the following Supplements: Debit Network Transactions Supplement to Merchant Services Agreement; Equipment Purchase and Rental Supplement to Merchant Services Agreement; Addendum Regarding Clover Go Service and Reader to Merchant Services Agreement; Clover Service Addendum to Merchant Services Agreement; Data File Manager Addendum to Merchant Services Agreement; Payeezy Services Addendum to Merchant Services Agreement; and TransArmor Data Protection Services Addendum to Merchant Services Agreement.

CLIENT previously issued Solicitation No. No. 2000011 for banking as well as merchant processing and related services as provided in A.R.S. § 35-325 (the "Solicitation"). Requirements and specifications contained in the Solicitation and all documents included in the Solicitation are incorporated into this Agreement by reference. CLIENT has determined SERVICERS submitted the most advantageous response to the Solicitation. CLIENT selected SERVICERS pursuant to and consistent with Pima County Procurement Code 11.12.020 Competitive Sealed Proposals. Therefore, CLIENT and SERVICERS are entering into this Agreement for merchant processing and related services as more fully set forth and described herein.

Except as expressly set forth herein, as of July 1, 2020 (the "Effective Date"), this Agreement replaces and supercedes the Merchant Processing Agreement among BAMS, BANK, and CLIENT dated on or about August 17, 2015, including all attachments, addenda, supplements, exhibits and schedules thereto (the "Original Agreement"). However, if CLIENT provided SERVICERS any instructions, set-up forms, or additional location forms (including any modifications, amendments, attachments or schedules thereto) in connection with the Original Agreement such instructions and forms are hereby part of this Agreement.

BANK provides sponsorship and settlement of certain Card transactions submitted in accordance with the terms and conditions of this Agreement and the Card Organization Rules. BAMS provides processing and other services related to Card transactions, as those services are further described in this Agreement (the "Services"). BANK will not have any obligation or liability of any nature in connection with services of any kind provided under or pursuant to this Agreement other than those services referenced as being provided by BANK in this paragraph.

SERVICERS and CLIENT agree as follows:

- 1. Definitions. As used in this Agreement, capitalized terms will have the meanings set forth herein (including in Annex 1 hereto) or the Card Organization Rules, as applicable.
2. Services.
2.1 BANK is responsible for sponsoring and settling all transactions under this Agreement except for: (a) transactions that BAMS sponsors and settles; and (b) Conveyed Transactions. For avoidance of doubt, BANK is not a party to this Agreement with respect to, and does not have any obligations, responsibilities, or liability with respect to, transactions that BAMS sponsors and settles under this Agreement or with respect to Conveyed Transactions.
2.2 Except for any service as may be provided by BANK as set out in Section 2.1, BAMS provides processing and other services related to Card transactions as those services are further described in this Agreement (the services provided by BANK and the services provided by BAMS are, collectively, the "Services"). BANK will not have any obligation or liability of any nature in connection with services of any kind provided under or pursuant to this Agreement other than those services referenced as being provided by BANK in this paragraph.
2.3 During the term of this Agreement, CLIENT will use SERVICERS as its exclusive provider of all Services for CLIENT.