Administrative Services Committee Meeting Commission Chamber - 9/12/2017

ATTENDANCE:

Present: Hons. M. Williams, Chairman; Jefferson, Vice Chairman; Davis and D. Williams, members.
Absent: Hon. Hardie Davis, Jr., Mayor.

ADMINISTRATIVE SERVICES

1. Approve proposal to allow Augusta to contract with Purchasing Power to provide a payroll deduction based loan program as a benefit to Augusta GA.'s employees utilizing a State of Georgia's Entity Contract, which was approved by the State to begin November 1, 2016 with four renewals. Also authorize the Mayor to execute the contract on behalf of Augusta.

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve doing a sampling of the employees to determine if there is a need or desire for this program, to determine the cost, to ask the Administrator to contact some jursidictions who have instituted the program and to see what their experience has been and to come back in 30 days with a report. Motion Passes 4-0.	Commissioner Dennis Williams	Commissioner Andrew Jefferson	Passes

2. Update from the Administrator regarding the operations of the Augusta Probation Services Department. **(Requested by Commissioner Marion Williams)**

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve receiving this item as information. Motion Passes 4-0.	Commissioner Mary Davis	Commissioner Andrew Jefferson	Passes

3. Discuss the Lake Olmstead Stadium. **(Requested by Commissioner Bill Fennoy) (Referred from August 29 Administrative Services)**

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve receiving this item as information. Motion Passes 4-0.	Commissioner Andrew Jefferson	Commissioner Mary Davis	Passes

4. Motion to approve the minutes of the Administrative Services Committee held on August 29, 2017.

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve. Motion Passes 4-0.	Commissioner Mary Davis	Commissioner Andrew Jefferson	Passes

5. Authorize Submission of the 2017 Exhibit I Continuum of Care Application to HUD and Grant the Mayor the Authority to Execute all Forms associated with the Application, which also include, New and Renewal Applications, Certifications, Agreements and Annual Progress Reports.

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
	Unanimous consent is given to add			

this item to the agenda.

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve. Motion Passes 4-0.	Commissioner Dennis Williams	Commissioner Mary Davis	Passes

Administrative Services Committee Meeting
9/12/2017 1:10 PM
Attendance 9/12/17

Department:

Presenter:

Caption:

Background:

Analysis:

Financial Impact:

Alternatives:

Recommendation:

Funds are Available in the Following Accounts:

<u>REVIEWED AND APPROVED BY</u>:

[please place on client letterhead]

Broker of Record Letter

[please insert current date]

Purchasing Power, LLC
1349 West Peachtree St. NW, Suite 1100
Atlanta, GA 30309

Dear Sir/Madam:

Please be advised that effective on [please insert date], the undersigned entity or organization (the "Client") has appointed [______________________] (the "Broker") to work with the Client in the support, direction and vendor management for the services and employee purchase program to be implemented and provided by Purchasing Power.

With this letter, Purchasing Power is authorized and directed to recognize the Broker as the "Broker of Record" for the contract extended to cover the Client and Purchasing Power. In addition, please be advised that the Client has agreed to direct the payment of all Purchasing Power commissions to the Broker. This letter supersedes any previous appointments of authority which may have been granted orally or in writing.

Please accept our sincere appreciation for the cooperation and courtesies that you will provide to the Broker.

Sincerely,

[please insert full legal name of Client]

By: ___________________________
Name: ___________________________
Title: ___________________________

PURCHASING POWER

APPLICATION FOR PURCHASING POWER PAYROLL DEDUCTION PURCHASE PLAN

BUSINESS INFORMATION

Employer Name: Augusta, Georgia		Company URL: www.augustaga.gov
Address: 535 Telfair Street		
City: Augusta	State: GA	ZIP Code: 30901
Plan Administrator: Kenneth Perry	Phone: 706-849-5917	Email: kperry@augustaga.gov
Primary Contact (if different from above):	Phone:	Email:
AP Contact:	Phone:	Email:
Is Payroll ☑ centralized ☐ decentralized		
IT Contact: Mike Blanchard	Phone: 706-821-2862	Email: blanchard@augustaga.gov
# of Locations:	Fed ID #:	
Broker/Contact Name: **Fran Millar**	Phone: **770-490-0213**	Email: **senatorfranmillar@gmail.com**

EMPLOYEE INFORMATION

What is the total number of current employees?

Total # of	2016	2015	2014
Employees:	3327	3364	3312
Terminations:	482	462	437

Approximate percentage of workforce?	Full-Time: 88 %	Part-Time: 12 %
	Salaried: 13 %	Hourly: 87 %
	Non- Standard (temporary, seasonal, per diem, contract, etc): %	

Are there any anticipated workforce reductions > 10% in next 12 months? ☐ YES ☑ NO

CAVEATS

Underwriting Approval and Requirements are considered final unless any of the following conditions are met:

1) Bankruptcy

2) Workforce reductions greater than 10%

3) A significant change in the makeup of the workforce (a shift in salaried to hourly, full time to part time, etc)

4) A change in company ownership

5) A significant change in ratings

The Leading Complete Employee Financial Wellness Offering

PURCHASING POWER

What We Do

PURCHASING POWER

We make it possible for employees to achieve a greater understanding/grasp on their personal financial wellness and offer products and services that they need and want to buy through a simple payroll deduction plan.

We help you increase employee satisfaction and retention by making your benefits package more competitive, and we help your employees be more productive by reducing their financial stress.

USA TODAY

Nearly 7 in 10 Americans have less than $1,000 in savings

Sean Williams, The Motley Fool *1:03 p.m. EDT October 9, 2016*

America's spend-first mentality is a genuine concern.

The U.S. is often referred to as the land of economic opportunity. Apparently, it's also the land of consumption and "spend everything you've got."

We don't have to look far for confirmation that Americans are generally poor savers. Every month the St. Louis Federal Reserve releases data on personal household savings rates. In July 2016, the personal savings rate was just 5.7%. Comparatively, personal savings rates in the U.S. 50 years ago were double where they are today, and nearly all developed countries have a higher personal savings rate than the United States. In other words, Americans are saving less of their income than they should be — the recommendation is to save between 10% and 15% of your annual income — and they're being forced to do more with less in terms of investing.

Why this Approach?

Financial wellness is a top benefit offering in 2017.

Don't get left behind.

- 83% of HR professionals say that personal financial problems impact employee performance.[1]
- 89% of employers are very or moderately likely to add tools, services, and communications to expand their financial well-being focus.[2]
- Over 80% of employees would participate in financial education and counseling if available in their workplace.[3]

Here's how we help.

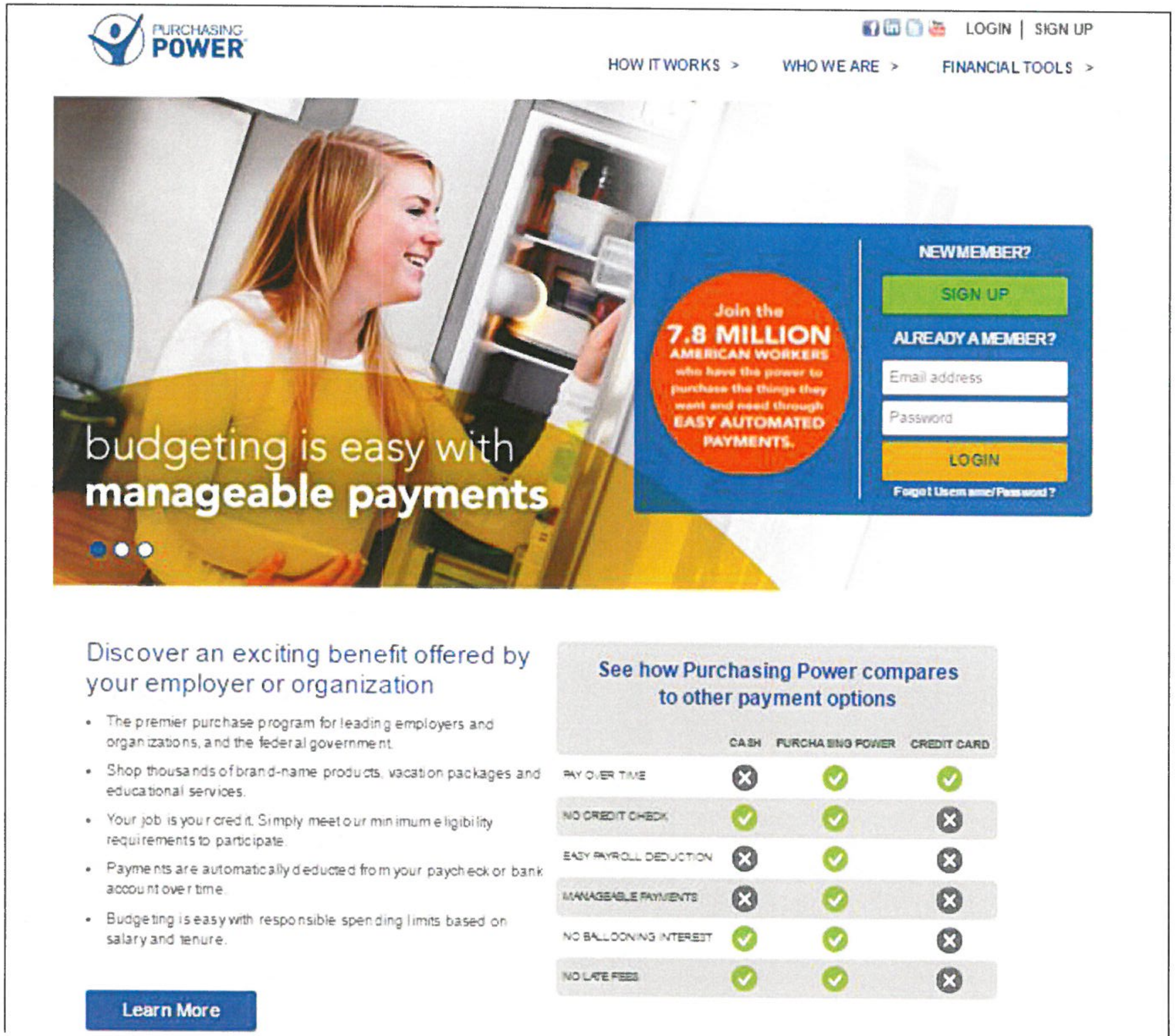
- The greatest challenge of organizations that offer financial education to employees is cost
- Our platform is created by offering exclusive and differentiated services to our clients and their employees at no cost
- Our program is designed to complement existing retirement/financial planning services by addressing employees' current needs.

All at no cost or liability to your company

[1] *Society of Human Resource Management Survey 2014*
[2] *Aon Hewitt 2016 Hot Topics in Retirement report*
[3] *Alliant "Financial Wellness in the Workplace 2015"*

The Complete Approach to Financial Wellness

- We believe in helping employees get on the right financial track and stay there.



lifecents

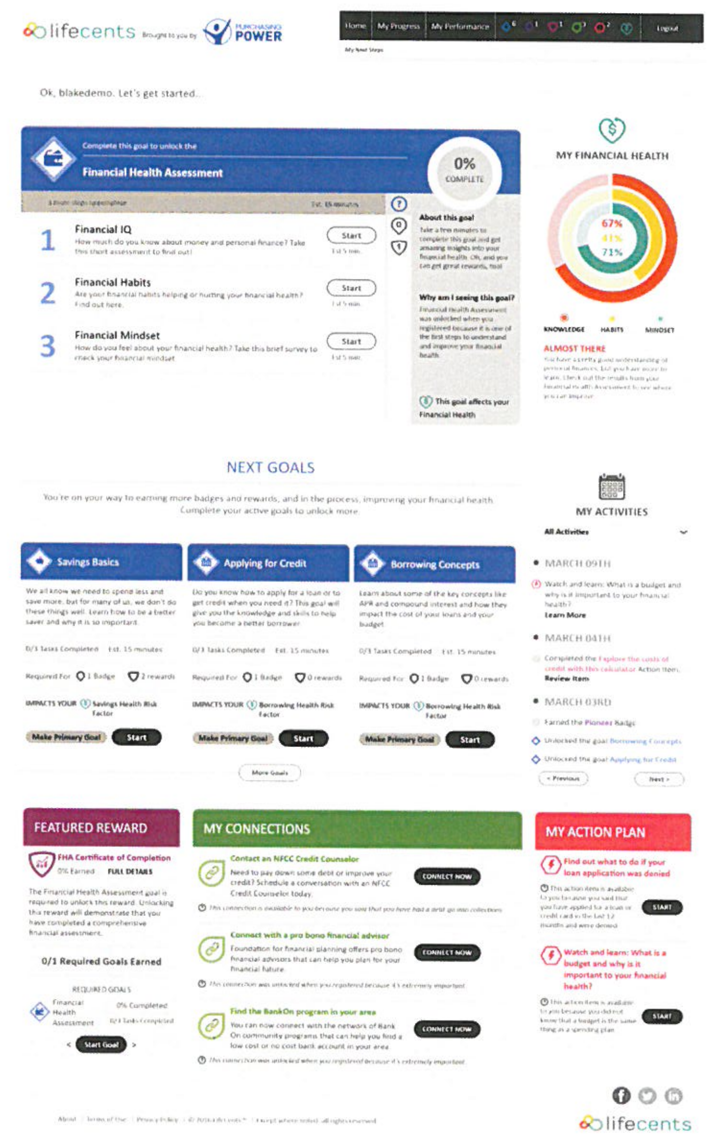
mvelopes®

ecredable℠ Make Every Payment Count™

Quizzle®

Financial Goal-Setting and Education

- Financial assessments and goal-setting
- Personalized, unbiased coaching
- Ongoing measurement of participation and progress
- Badges for goal and task completion
- Custom dashboard for reporting of key engagement metrics for your employees
- Created by Financial Education & Literacy Advisers (FELA)



Award winning budgeting app

PURCHASING POWER

- Take traditional budgeting to a whole new level
- Free one-on-one debt analysis in a 45 minute coaching session and debt analysis report
- Connect unlimited accounts to easily review and plan spending
- Use mvelopes anywhere, from your computer or mobile device
- Create spending plans to see where your money goes and accumulate savings and get out of debt

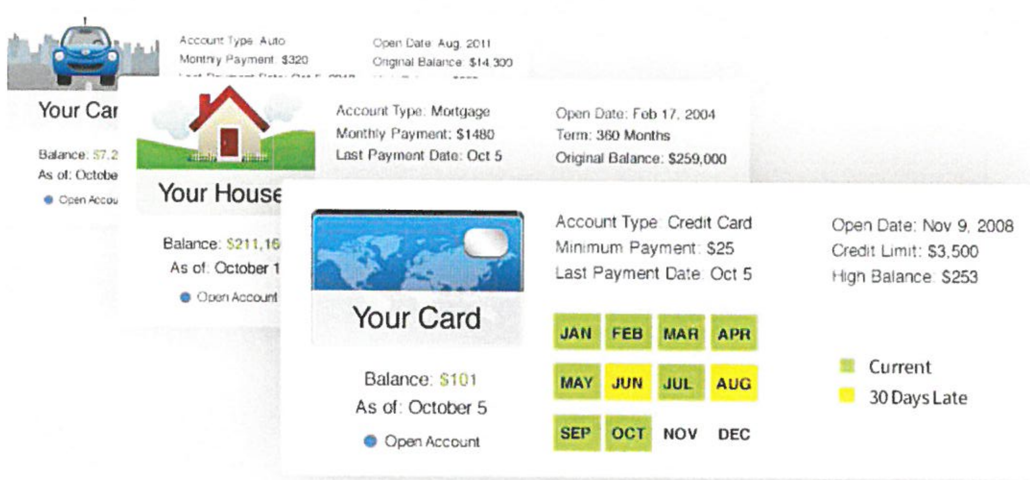
mvelopes®

Alternative Credit Reporting

- A bridge-to-credit for no credit/poor credit individuals
- Credit report built from everyday bills paid on-time
- Access to marketplace of creditors that accept this credit score for underwriting
- Alternative credit bureau that adheres to Fair Credit Reporting Act (FCRA)

Credit Reporting and Monitoring

- Free Equifax® credit report
- Report provides details on each account for ease of understanding
- Free VantageScore® credit score
- Credit education resources
- Trusted by over 2 million consumers



As Seen In

Real Life Examples

PURCHASING POWER

These are some of the profiles of the typical employee

Settled in the City

Median Income: $57,000

Median age: 36

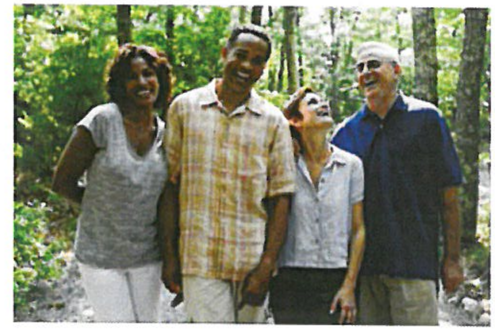
Married: 44%

Savvy Singles

Median Income: $58,000

Median age: 34

Budget Boomers



Median Income: $44,000

Median age: 48

Married: 46%

They **need to buy a big-ticket item liken a new refrigerator or computer …**

They are **low on cash, and their credit scores are below prime**.

What are **their options?**

What Are The Payment Options?

PURCHASING POWER

Subprime/ In-Store Credit Card

- High interest rate – 22.73% / 25.97%
- Potential late fees and ballooning interest

Payday Loan

- Finance charges on a typical payday loan equate to 400% APR
- For a $375 loan, the borrower usually pays $520 in financing charges

Rent-to-Own

- Annual interest rates equate to 100%.
- One popular rent-to-own store is opening a new location each week

Retirement Savings/ Withdrawal

- Can incur penalties, taxes and high interest on repayment
- 25% of 401(k) borrowers end up taking out 3 or more loans

Many consumers share the same frustrations:

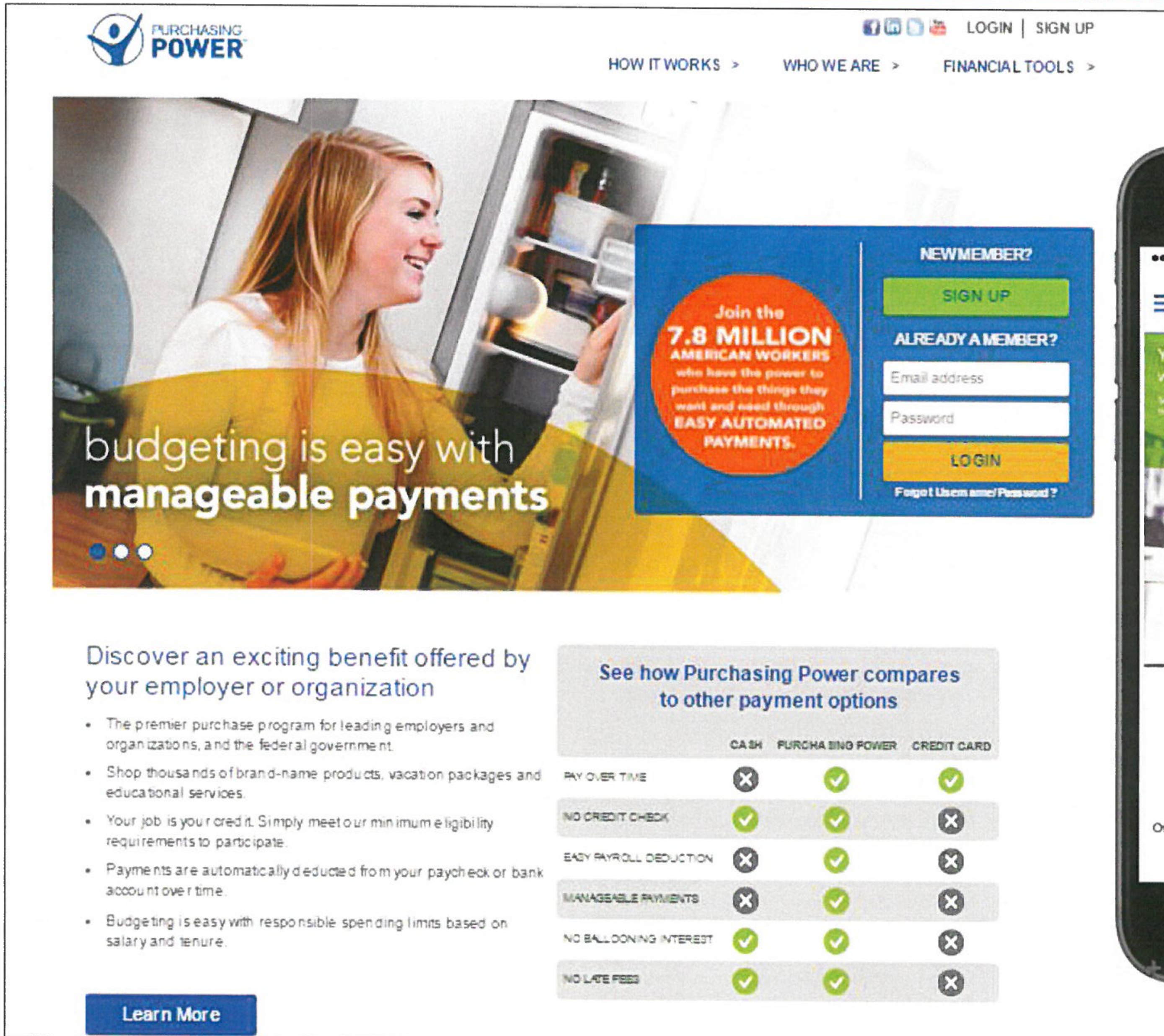
56% do not qualify for prime credit.

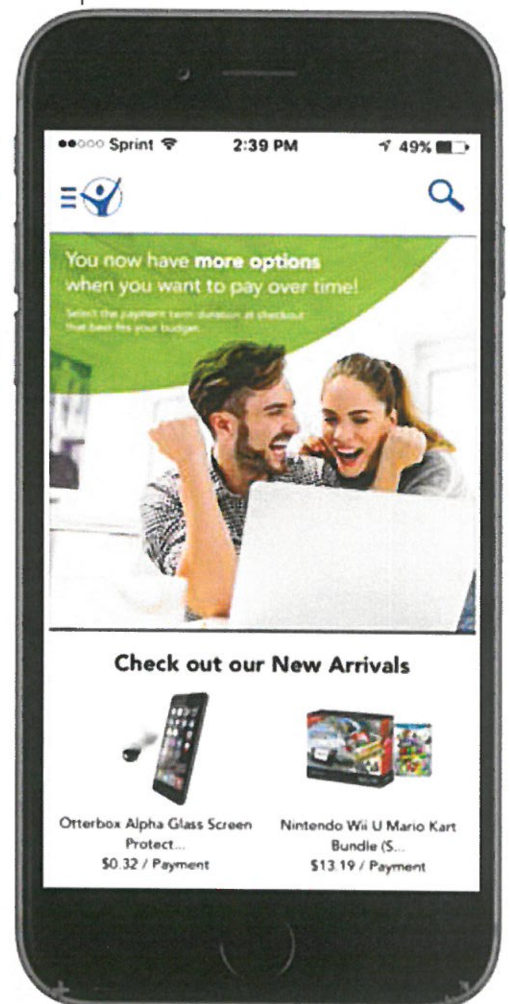
68% do not have at least $1,000 in emergency savings.

21% of 401(k) savers today have an outstanding loan against their account.

Sources: *Creditcards.com, Consumer Financial Protection Bureau, Pew Charitable Trusts, Washington Post, New York Times, Corporation for Enterprise Development, 2015 Harris Poll, Employee Benefits Research Institute*

Award Winning E-Commerce - Employee Experience





How We Help

For employees with limited cash and credit options, Purchasing Power is the most affordable financing alternative.

	Cash	Purchasing Power	Credit Card	Payday Loans/ Rent-to-Own
Pay Over Time	✗	✓	✓	✓
No Credit Check	✓	✓	✗	✓
Easy Automated Payments	✗	✓	✗	✗
Manageable Payments	✗	✓	✗	✗
No Ballooning Interest	✓	✓	✗	✗
No Late Fees	✓	✓	✗	✗

What Our Price Includes

Sample Order Totals

PLACE ORDER

Order Totals	
Subtotal:	$335.39
Shipping & Handling:	$15.00
Sales Tax:	$24.53
Price / Payment:	$28.84
Number of Payments:	13
Total:	$374.92

Pre-set spending limits & controls in place to prevent overspending

Products & Services

PURCHASING POWER

Computers

Popular Brand Names

DELL, Apple, hp

Electronics, TV & Video

Popular Brand Names

Nikon, LG, SHARP

Appliances

Popular Brand Names

Kenmore, Whirlpool, GE

Furniture & Decor

Popular Brand Names

Abbyson Living, Simmons Better Sleep through Science, Lane Home Furnishings

Outdoor, Fitness & Family

Popular Brand Names

BOWFLEX, fitbit, NordicTrack

Products & Services

Automotive

Tires & Installation

tirebuyer.com
Buy smart. Drive safe.

Automotive Service Contracts

ATLAS
AUTO PROTECTION

Education

We've partnered with four leading online learning institutions to offer their education programs at competitive prices.

Test Preparation

The Princeton Review

Degree Programs

straighterline

Certifications

PENNFOSTER

Vacation Packages

Cruises

All-Inclusive Resorts

Hotel Packages

Destination Packages

Our Proven Results

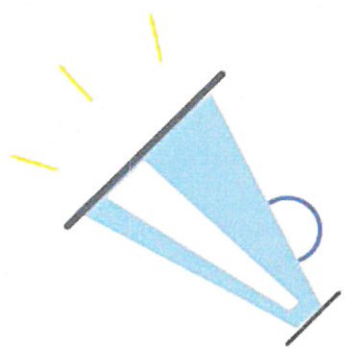
PURCHASING POWER

7.8 Million Employees

280+ Clients

What our customers say about our program:

> *"Great service! Being able to use my job and income as a source of credit rather than my actual credit score was very empowering."*



94%

Say it reduces financial stress.

85%

Say it makes them less likely to withdraw from their retirement savings.

78%

Say it makes them more likely to stay with their organization.

80%

Say it increases satisfaction with their organization.

We Make It Simple

PURCHASING POWER

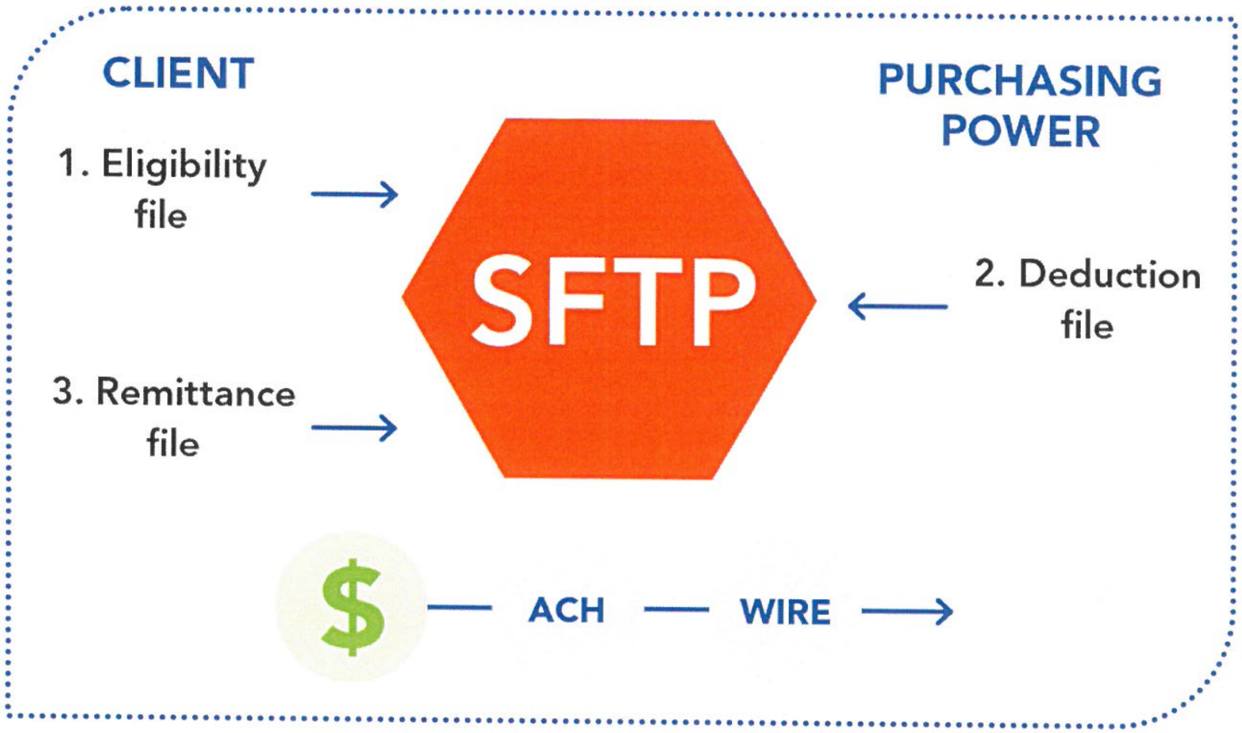
Streamlined Implementation

- 8-10 hours of your time over a 6-8 week period
- Involves your Payroll, HR & IT departments

Ease of Administration

- Typically 2-4 hours a month

File Transfer **Flow**



We Make It Simple

Full Program **Support**

- Designated Account Manager and Client Services Manager
- Performance reports
- Updates on new products and services
- Minimizes your administrative burden

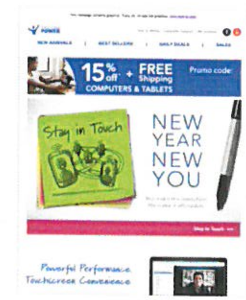
Employee **Communications**

- Created and delivered by us
- No cost to you
- Mailers, flyers, onsite events, and emails

Main Promotional Campaigns

- Spring: March 15 – April 15
- Back to School: July 15 – August 15
- Holiday: November 1 – December 15

Benefit Fairs



Emails

Flyers

Mailers

A Proven Business Model

PURCHASING POWER

- The employee purchase program of choice for over 280 companies
- 15+ Industries Served
- 7.8 Million Employees Have Access
- A+ BBB Rating
- 30+ Fortune 500 Clients
- 99 Clients with 10k+ Employees
- 94% Client Retention Rate

* As of 01.2017

A Proven Business Model

PURCHASING POWER

- Award-Winning Customer Service
- 50,000+ Products Offered
- 1800+ Brands Available
- 61% Repeat Buyer Rate
- $2.3 Billion in Orders Taken
- 35 million Payroll Deductions Made

* As of 01.2016

Thank you!

Visit us online:

www.PurchasingPower.com/Employers

Client & Customer Testimonials
www.youtube.com/PurchasingPowerTV

Michael Loeser

From:	Warren Baden <wbaden@purchasingpower.com>
Sent:	Wednesday, June 07, 2017 11:05 AM
To:	Michael Loeser
Cc:	Fran Millar
Subject:	RE: some questions from Finance Augusta GA
Attachments:	Updated Employer App 2017.pdf; Security Statement Flyer.pdf; 2017 File Formats All.pdf; PCCW Data Security Statement (003).docx

Responses below –

Warren Baden
regional vice president, sales
C 404-661-1201
F 800.508.1172
E wbaden@purchasingpower.com
www.PurchasingPower.com

PURCHASING POWER
a better way to buy.

From: Michael Loeser [mailto:MLoeser@augustaga.gov]
Sent: Wednesday, June 07, 2017 9:29 AM
To: Warren Baden <wbaden@purchasingpower.com>
Subject: some questions from Finance Augusta GA

1) Referring to "eligibility requirements" – what are those? Mentions 80-90% of full time benefit eligible employees
Purchasing Power will review attached employer application to determine the programs employee salary and tenure requirements...It is anticipated that The City of Augusta will have a 12 month min employee tenure and $16,000 annual salary requirement like the State of GA due to the expected low employee turnover.

2) The program requires an employee to enter a checking account number or a credit card number to guarantee payment if an employee quits. How is this info secured?

See attached Security Statement document.
Purchasing Power uses the defense-in-depth concept to secure our systems. This layered security approach provides significant security coverage and includes network perimeter security, security policy, security operations, incident response and employee security awareness and training. To increase security, we have implemented Managed File Transfer ("MFT"), to manage the secure transfer of data. MFT offers a higher level of security and control than previous file transfer solutions. We also use standard encryption methods PGP and TLS on our secure file transfer (SFTP) site. Only authorized personnel are allowed to view and handle client files in the extract, transformation, and load (ETL) process. Please refer to the attached security statement for more information.

3) When an employee makes a purchase, how it the payroll deduction interfaced with our payroll system? how often? ***We expect to exchange data (see File Format document attached) on a pay period basis.***

4) There's no "credit check". amt of purchasing power based on "employee salary and tenure". What happens if employee goes out on workers comp after signing up for purchase or some other event where check does not cover payment?
If the employee wages do not cover the pay period deduction amount we (Purchasing Power) can work with the employee for future direct payments (via their back-up payment selection).

5) Payments deducted over 12 month period – monthly or can fit into biweekly cycle? ***We will match-up the employees payment cycle to match however they are paid (weekly, bi-weekly, semi-monthly and monthly)*** Can payment period be reduced? ***Employees select at time of checkout a 12 month or six month repayment period. Employees can also pay off their outstanding amount at any time by calling our customer service department.***

6) Shows pics of appliances and TVS – probably the majority of high $ ticket items. these are shipped by freight and are not returnable. Risk? Warranty service?

Cancellations

A cancellation is a request by a customer to cancel his/her order when the status has not yet been changed to Pending or Processing. Any orders still in Hold, Awaiting Verification or Financial Review can be cancelled immediately by the customer service representative and do not carry a restocking fee. A cancellation will automatically be performed if the status has not been changed to Pending or Processing after 30 days. Any request that does not meet this definition is considered a return. No deduction records are transmitted to the client so therefore there is no impact to the customer

Returns

A return is a request by the customer to return his or her order after the order is in a Pending or Processing status. Products can be returned for a number of reasons after the customer takes delivery of the product but only within the first 30 days after product delivery with some exceptions. During this time frame a deduction file has most likely been sent to the client and funds remitted to Purchasing Power. If that is the case, once the product has been received to the returns processing center and been dispositioned, the deduction file transmitted to the client will indicate a stop to discontinue the deduction or lower the deductions if the customer has any other open/active orders. Any refunds due the customer will be processed and remitted directly to the customer via check. If the customer has other open orders, any payments made towards the returned order are applied to the customer's open balance. If the customer has questions regarding this process or on their account statement available on the internet, they can contact the customer support center for more information and to resolve any disputes they may have.

It is Purchasing Power's goal to always provide customers with a resolution that is acceptable to the customer. We make it our mission to avoid situations that might result in the customer escalating an issue to the client organization.

Returns Process

Returns for 95% of parcel (non-freight) items can be initiated and tracked via a self-service online process by the customer. For the remaining 5% of parcel returns - what we consider to be aged or

outside of the stated return timeframe - require the customer to contact Customer Care. Freight returns items also require the customer to contact Customer Care.

Parcel Returns inside the stated return timeframe

- ***Customer initiates return online from the order in their My Account page***
- ***Customer is instantly provided with a pre-paid UPS return label (one label per box) online and may print the label at any time from My Account or the email notification they receive***
- ***Customer boxes the item and uses the label to ship the item to our Centralized Return Center***
- ***Each item is inspected for condition upon receipt to the CRC***
- ***For items in acceptable condition, the refund/credit process is initiated – this is usually within 24 to 48 hours upon receipt of the item into the center***
- ***The customer may track the progress of their return online***
- ***98% of items received are found to be in acceptable condition – for those that are not (e.g. customer sends wrong item, empty box), a Customer Advocate will contact the customer and attempt to negotiate an acceptable resolution***
- ***If we do not receive the item in acceptable condition, the deductions on the original order continue***

Refunds / Credits for return

- ***In 90% of cases, the customer's account will be refund / credited before the next pay cycle and when timing is a limiting factor, usually the second subsequent cycle***
- ***The unpaid balance for a return will be credited (balance adjusted). Any payment already received will be refunded (see Accounting Refund Process)***
- ***In cases where the balance adjustment is not for the full amount (not all items on balance are returned), the payment term will be reduced and the payment amount will remain the same***
- ***For the payment amount to be reduced, the customer may contact Customer Care, who will work with Accounting to re-amortize the remaining balance***
- ***All balance adjustments and payments appear within the customer's online Account Statement within their My Account page***

Return Refund / Credit Amounts

- ***The following returns are eligible for full refund / credit or replacement if return is initiated within 37 days of original shipment:***
  - ***Received damaged item***
  - ***Item is defective***
  - ***Received wrong item***
  - ***Item is not as advertised on storefront***
  - ***Did not receive item***
- ***Other items in new / unused condition (manufacturer's seal unbroken) are eligible for full refund / credit minus shipping costs if return initiates within 37 days of original shipment***
  - ***Shipping costs (covers both outbound and inbound shipping) will be assessed as a flat fee – currently $20 for parcel items / $200 for freight items***
  - ***The flat fee will remain on the customer's balance until paid within the established payment regimen***
  - ***The fees can be refunded or overridden if in error or at the discretion of Customer care leadership***
- ***Other items received in good condition within 37 days of original shipment yet manufacturers seal is broken will receive a reduced refund, currently 80% of original price paid***
  - ***20% of the original price paid (additional to shipping fee) will remain on the customer's balance until paid within the established payment regimen***

Aged Returns

- ***For items that are found to be defective after the return acceptance timeframe, the customer will be referred to the manufacturer / vendor warranty process***
- ***The warranty process may be resolved via any of the following steps depending on the situation***
  - ***Partial refund***
  - ***Repair of the item***
  - ***Replacement of parts***
  - ***Full replacement by manufacturer***
  - ***Full replacement by Purchasing Power (where Purchasing Power is the Warranty Provider, e.g. mattresses)***
- ***Purchasing Power Customer Advocates will assist in facilitation of the warranty process, especially in cases where the warranty provider has not provided an adequate response***
- ***In rare cases where the warranty process fails, yet Purchasing Power Customer Care leadership finds that the customer has a valid claim, Purchasing Power will accept the return***
  - ***Currently, 5% of all returns are accepted outside the established timeframe and 2% of returns are accepted beyond 60 days***
  - ***For returns where the return timeframe is significantly extended (e.g. > 6 mo.), Purchasing Power may elect to credit the remaining balance but not refund payments made***

Purchasing Power will exhaust all options available in an effort to satisfy the customer need. A rejection of a return request is very rare (less than 1% of claims).

7) We typically do not set up a program or deductions unless approx. 25% minimum participation. Web site says annual participation rate is about 10-20%
That website statement is just an estimated example and actual participation will depend on our (your broker - Fran Millar & Purchasing Power) ability to forge a strong relationship with The City of Augusta (example invites to annual benefit fairs, sponsorship opportunities).
Response Per Fran - we expect to see in the next 24 months at least 25% participation if not more. Furthermore, the State of GA would not have made this program available if they did not see it benefitting all the local governmental employees. We expect financial wellness to further increase the penetration %.

8) List of other governments using the program/and the employee participation

State of Georgia
Fulton County
Bibb County School System
Savannah Chatham County Public Schools

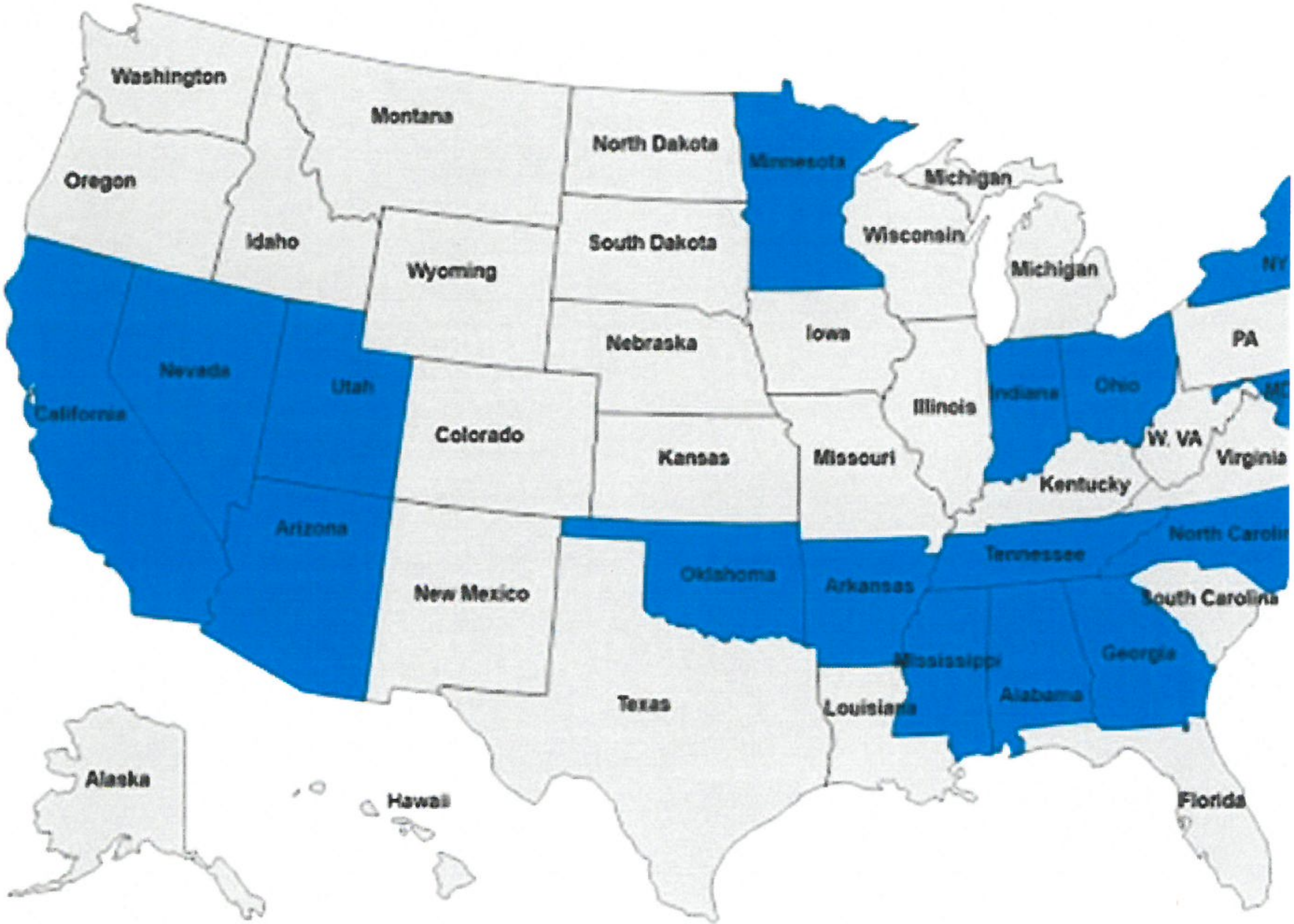
A Proven Business Model

- The employee purchase program of choice for over 260 companies
- 15+ Industries Served
- 7.8 Million Employees Have Access
- A+ BBB Rating
- 30+ Fortune 500 Clients
- 99 Clients with 10k+ Employees
- 94% Client Retention Rate

Grady
Graphic Packaging
Crawford
Columbus Regional Health
NewellRubbermaid
Brands That Matter
FultonCountyGA
BIBB COUNTY SCHOOL

* As of Q1 2016

State & Local Government Experience



Mike

Michael Loeser

Human Resources Director
City of Augusta and County of Richmond Georgia
T 706 849 3723 F 706 821 2867 C 706 831 5590
MLOESER@augustaga.gov

Please consider the environment before printing this email.

APPLICATION FOR PURCHASING POWER PAYROLL DEDUCTION PURCHASE PLAN

BUSINESS INFORMATION

Employer Name: Company URL:

Address:

City: State: ZIP Code:

Plan Administrator: Phone: Email:

Primary Contact (if different from above): Phone: Email:

AP Contact: Phone: Email:

Is Payroll ☐ centralized ☐ decentralized

IT Contact: Phone: Email:

# of Locations: Fed ID #:

Broker/Contact Name: **Fran Millar** Phone:**770-490-0213** Email: **senatorfranmillar@gmail.com**

EMPLOYEE INFORMATION

What is the total number of current employees?

Total # of	2016	2015	2014
Employees:			
Terminations:			

Approximate percentage of workforce? Full-Time: % Part-Time: %

Salaried: % Hourly: %

Non- Standard (temporary, seasonal, per diem, contract, etc): %

Are there any anticipated workforce reductions > 10% in next 12 months? ☐ YES ☐ NO

CAVEATS

Underwriting Approval and Requirements are considered final unless any of the following conditions are met:

1) Bankruptcy

2) Workforce reductions greater than 10%

3) A significant change in the makeup of the workforce (a shift in salaried to hourly, full time to part time, etc)

4) A change in company ownership

5) A significant change in ratings

PURCHASING POWER, LLC, a limited liability corporation duly organized and existing under the laws of the state of Georgia, with an office address at 1349 West Peachtree St. NW, Suite 1100, Atlanta, GA 30309 (hereinafter referred to as "COMPANY").

and

PCCW TELESERVICES, INC. (US), a corporation duly organized and existing under the laws of Nebraska, with corporate offices and a contact center at 565 Metro Place South, Suite 250, Dublin, OH 43017 (hereinafter referred to as "SERVICE PROVIDER");

(COMPANY and SERVICE PROVIDER also may be referred to individually as "Party" and collectively as the "Parties").

DATA SECURITY AND PRIVACY

General. SERVICE PROVIDER will maintain Data Security levels through ongoing annual PCI certification and adherence to security policies and procedures conforming with industry standards and consistent with any unique COMPANY requirements as defined in the SOW. SERVICE PROVIDER shall not utilize COMPANY provided customer lists to make any contact with customers other than for COMPANY directed efforts. SERVICE PROVIDER shall comply with the provisions of the COMPANY'S Privacy Policy set forth at https://www.purchasingpower.com/privacy-policy.

Data Safeguards. SERVICE PROVIDER shall be responsible for maintaining the quality and security of the equipment and systems for any COMPANY data or records received from COMPANY and stored by SERVICE PROVIDER. SERVICE PROVIDER shall establish reasonable safeguards to protect COMPANY'S data and Confidential Information (as described as the Information covered in the Non-Disclosure Agreement) in SERVICE PROVIDER's possession against distribution, loss or alteration. SERVICE PROVIDER will establish and use reasonable security measures for its computer systems and information storage facilities which safeguard against the unauthorized destruction, loss, alteration of or access to COMPANY'S data (whether such information is: (a) on SERVICE PROVIDER's systems or stored in SERVICE PROVIDER's facilities; (b) in transit or being disposed of; or (c) in hard copy or electronic format). Without limiting the generality of the foregoing, SERVICE PROVIDER agrees that all electronic nonpublic personal information will reside behind an appropriate and secure firewall and will be encrypted, using a cryptographic algorithm employing a key length of at least 128 bits or a higher standard of encryption if commercially reasonable, when transmitted over networks outside SERVICE PROVIDER or when in storage or being transported outside of SERVICE PROVIDER's systems or facilities including in any portable device or medium (e.g. laptop computers, CDs, DVDs, USB, floppy disk, back-up tapes, flash drives).

by email or phone to COMPANY'S Security Manager, but in no case later than 48 hours after SERVICE PROVIDER has become aware of the Security Incident; and (b) if the applicable COMPANY data was in the possession of SERVICE PROVIDER at the time of such Security Incident, SERVICE PROVIDER, with COMPANY'S consent, shall: (i) start an investigation of the Security Incident and take all appropriate actions to remediate the effects of the Security Incident and mitigate any risks that may arise from the Security Incident, (ii) provide COMPANY with a written report on the outcome of its investigation including any risk to COMPANY data, the corrective action SERVICE PROVIDER will take, or has taken, to respond to the Security Incident and such other information as COMPANY may reasonably request, (iii) ensure that all risks associated with such Security Incident, that are within SERVICE PROVIDER's control or influence to resolve, are ultimately resolved within thirty (30) days of such Security Incident, and (iv) provide COMPANY with assurances satisfactory to COMPANY that such Security Incident shall not recur. COMPANY may disclose the occurrence of a Security Incident involving nonpublic personal information in connection with notice to governmental authorities, law enforcement agencies, or any other notice required by law or deemed necessary or prudent in COMPANY'S sole discretion, including, as applicable any substitute notice required by law ("Notifications"). SERVICE PROVIDER shall cooperate in good faith with COMPANY in COMPANY'S handling of any Security Incident, including any investigation, reporting, the timing and manner of any Notifications, or other obligations required by applicable law or regulation, or as otherwise required by COMPANY to respond to and mitigate any damages caused by the Security Incident. SERVICE PROVIDER agrees to reimburse COMPANY for actual costs and losses incurred in connection with a Security Incident including, the cost of Notifications and providing credit monitoring services to affected parties, and any fees of outside legal counsel incurred by COMPANY related to such Security Incident. Promptly after execution of the Agreement, SERVICE PROVIDER will designate an employee familiar with SERVICE PROVIDER's obligations pursuant to these requirements to act as COMPANY'S primary contact for questions it may have or assistance it may require related to a Security Incident (including COMPANY'S internal investigation of a Security Incident) or SERVICE PROVIDER'S compliance with these requirements ("SERVICE PROVIDER Contact"). The SERVICE PROVIDER Contact will promptly respond to all such COMPANY requests.

Security Incident. If SERVICE PROVIDER discovers or is notified of any (1) unauthorized destruction, loss, alteration of or access to COMPANY'S data; or (2) breach or potential breach of security relating to COMPANY'S data, this Agreement, the services provided hereunder, or any applicable law or regulation, in either case occurring on SERVICE PROVIDER'S premises, within their possession, systems or technology environment (inclusive of external "hack" by third party), within their control or by any of their employees, personnel, contractors, representatives, agents or vendors (each a "Security Incident"), SERVICE PROVIDER will immediately: (a) notify COMPANY at the address specified in this Agreement of such Security Incident and

Compliance with Laws. SERVICE PROVIDER agrees to comply with all applicable provisions of all foreign, Federal, State, provincial or local laws, constitutions, treaties, conventions, statutes, decrees and codes, and all applicable ordinances, orders, rules, regulations, guidelines, interpretations, standards, policies, procedures, specifications and decisions (including those issued by the PCI Security Standards Council) (collectively, the "Applicable Laws"). SERVICE PROVIDER shall obtain and secure any certifications, certificates, licenses or permits that it is required to secure for the provision of the licenses and services provided hereunder and shall assist COMPANY in any obligation that COMPANY may have to obtain any certifications, certificates, licenses or permits as necessary for the provision of services hereunder and their intended use. SERVICE PROVIDER represents, warrants, certifies and guarantees that the licenses and services provided to be furnished hereunder are in compliance with all Applicable Laws. From time to time, at COMPANY'S request, SERVICE PROVIDER shall provide certificates to COMPANY relating to any applicable legal requirements, in each case in form and substance satisfactory to COMPANY.

Security Statement

Purchasing Power® Takes the Steps to Secure Your Information

Purchasing Power adheres to the highest standards when processing and storing sensitive data. We have industry gold standard certified staff managing our security program, which includes security policy, security operations, incident response and employee security awareness and training.

Standard Encryption Methods

We use standard encryption methods PGP and TLS on our file transfer (FTP) site. Only authorized personnel are allowed to view and handle client files in the extract, transformation, and load (ETL) process. Data files may only be saved on Purchasing Power owned and secured network storage media. (Company policy does not permit data to be copied to laptops but, as an added precaution, we have encrypted all laptops with Symantec PGP). Once loaded within our databases, we use Oracle views & rules to block viewing of sensitive information, except by authorized personnel.

Industry Standard Security Methods

Primary hosting of our data center function is managed by CenturyLink which is fully SSAE (SAS70) compliant as well as uses industry standard security methods for accessing their hosting sites including picture badges and fingerprint biometrics. Only a limited number of Purchasing Power employees have access to the data center and our specific equipment. Third party individuals are not allowed access to our equipment without Purchasing Power employees present.

Strict Policies for Archival, Destruction, and Disposal of Data

Archival, destruction, and disposal of data is done through strict policy. Transport of physical and electronic data is handled by Iron Mountain and archived in their secure facilities. Destruction and disposal of physical information is also handled by Iron Mountain in specifically marked shredding bins. Destruction and disposal of electronic data is accomplished by Purchasing Power employees adhering to DOD guidelines. We are in the process of encrypting our data at rest utilizing an industry standard for backup execution encryption.

IDS and IPS Services

Purchasing Power contracts with a third party to provide intrusion detection (IDS) and intrusion prevention (IPS) services. Their appliances scan all traffic on our network and they provide 24X7 monitoring to identify anomalies. They perform quarterly vulnerability assessments and an annual penetration test against our environment. We also have annual application vulnerability tests. Purchasing Power is PCI compliant.

DOAS/SPD Contract Utilization Notification

<table>
<tr><td>Date:</td><td>Contract #:</td></tr>
<tr><td>Contract Description:

Employee Purchase Program</td><td>Supplier:

Purchasing Power, LLC</td></tr>
<tr><td colspan="2"><u>Submission Instructions:</u>

1. Written notification of a State Entity’s intention to use the above reference contract with the provisions set forth below should be submitted via email to the Issuing Officer (designated below). This notification can be submitted as an email attachment.

Issuing Officer: Janet Pytelewski
Email Address: janet.pytelewski@doas.ga.gov
Contracting Entity Name: Georgia Department of Administrative Services

2. Purchasing Power and Authorized User accepts the following provisions by signing below.</td></tr>
</table>

The Georgia Department of Administrative Services (DOAS) has competitively sourced and awarded a contract to Purchasing Power, LLC to provide a voluntary Employee Purchase Program to eligible employees for the purchase of consumer goods and services via payroll deductions. The program is designed to permit eligible employees to shop and purchase consumer goods and services that have been authorized as permissible under 2015 Georgia House Bill 551 and paid for through qualified payroll deduction.

This contract currently covers all State Entities that pay their employees through the State’s PeopleSoft Payroll system. Other governmental entities including but not limited to state boards, bureaus, commissions, authorities, institutions such as colleges and universities and political subdivisions that are approved via Supplier’s employer underwriting requirements (including minimum employee requirements) have the option to establish a similar payroll purchase program with the same catalog under the Department of Administrative Services’ awarded contract. All entities authorized to utilize this contract shall be referred to collectively as Authorized Users.

Purchasing Power will extend the State’s 10% permanent employee discount “Promo Code” to all Authorized Users that have a minimum of 10,000+ eligible employees. Any Authorized Users that have less than 10,000 eligible employees will not receive such discount, but may receive other lesser discounts or promotions from time to time.

Authorized Users must assume the responsibilities associated with their specific program administration/implementation and payroll deduction obligations. Prior to implementing an Employee Purchase Program, Authorized User agrees to:

- Notify the Department of Administrative Services' of its intention to establish a program pursuant to this contract.

- Provide a legal notices contact to the Department of Administrative Services and to Supplier for the purposes of receiving notices and information on any contract amendments including contract renewals and extensions.

- Establish and document, in collaboration with the Supplier, Program employee eligibility requirements, and coordinate with Supplier to implement the administration of payroll deductions consistent with the Authorized User's policies and payroll process.

- Provide Supplier with reasonable opportunities to communicate the Program to eligible employees for the purpose of communicating, explaining, promoting and offering the Program to such employees, which may include (a) an introductory message sent to eligible employees via electronic mail, (b) maintaining a posting on relevant internal websites/intranets, (c) enrollment message(s) during open enrollment periods, (d) direct mail to eligible employees, and/or (e) other means of communicating with employees as may be mutually agreed and approved by the Authorized User from time to time.

- Pre-approve all Supplier-developed materials/communications using the Authorized User's name and logo on any such communication.

- Provide annual feedback (when requested by DOAS) of Supplier's performance.

Authorized User Acceptance

By *(Authorized Signature)*	Date Signed
Printed Name and Title of Person Signing	
Email Address	

Purchasing Power, LLC Acceptance

By *(Authorized Signature)*	Date Signed June 8, 2017
Printed Name and Title of Person Signing Elizabeth Halkos, Chief Operating Officer	
Email Address Ehalkos@Purchasingpower.com	

State of Georgia
State Entity Contract Form

Solicitation Title	Solicitation Number	Contract Number
Employee Purchase Program	40300-DAS0000107	

1. This Contract is entered into between the State Entity and the Contractor named below:

State Entity's Name

Department of Administrative Services

(hereafter called State Entity)

Contractor's Name

Purchasing Power, LLC

(hereafter called Contractor)

2. Contract to Begin:	Date of Completion:	Renewals:
November 1, 2016	**June 30, 2017**	**4**

3. Performance Bond, if any:	Other Bonds, if any:
N/A	**N/A**

4. Maximum Amount of this Contract:	Total Financial Obligation of the State Entity for the First Fiscal Year:	Total Financial Obligation of the State Entity for each Renewal Period if Renewed:
$0	**$0**	**$0**

5. Authorized Person to Receive Contract Notices for State Entity:	Authorized Person to Receive Contract Notices for Contractor:
Janet Pytelewski janet.pytelewski@doas.ga.gov	**Elizabeth Halkos, Chief Revenue Officer** **With copy to: Gregory M. Birge, Chief Legal Officer**

6. The parties agree to comply with the terms and conditions of the following attachments which are by this reference made a part of the Contract:

Attachment 1: **State Entity Contract Terms and Conditions for Services**
Attachment 2: **Solicitation (referenced above)**
Attachment 3: **Contractor's Final Response including Contractor's Request for Clarification Reponses**

IN WITNESS WHEREOF, this Contract has been executed by the parties hereto.

7.

Contractor

Contractor's Name *(If other than an individual, state whether a corporation, partnership, etc.)*
Purchasing Power, LLC

By *(Authorized Signature)*	Date Signed
Elizabeth Halkos	11.3.2016

Printed Name and Title of Person Signing

Elizabeth Halkos

Address

1349 W. Peachtree Street, NW / Suite 1100 / Atlanta, GA 30309

8.

State Entity

State Entity Name
Department of Administrative Services

By *(Authorized Signature)*	Date Signed
Candy Sarvis	11/16/2016

Printed Name and Title of Person Signing

Candy Sarvis, Deputy Commissioner – Human Resources Administration

Address
200 Piedmont Avenue, SE
West Tower, 5th Floor
Atlanta, GA 30334

STATE OF GEORGIA
AGENCY CONTRACT
Attachment 1
Contract Terms and Conditions for Services

A. DEFINITIONS AND GENERAL INFORMATION

1. Definitions. The following words shall be defined as set forth below:

(i) **"Contractor"** means the provider(s) of the Services under the Contract.

(ii) **"Response", "Contractor's Response" or "Final Response"** means the Contractor's submitted response to the RFX, including any modifications or clarifications accepted by the State Entity.

(iii) **"RFX"** means the Request for Proposal, Request for Bid, or other solicitation document (and any amendments or addenda thereto) specifically identified in the State Entity Standard Contract Form that was issued to solicit the Services that are subject to the Contract.

(iv) **"Services"** means the services and deliverables as provided in the RFX and as further described by the Response and the Contract.

(vi) **"State"** means the State of Georgia, the State Entity, and any other authorized state entities issuing Purchase Instruments against the Contract.

(v) **"State Entity"** means the State of Georgia entity identified in the State Entity Standard Contract Form to contract with the Contractor for the Services identified in the Contract.

(vii) **"State Entity Contract"** or **"Contract"** means the agreement between the State Entity and the Contractor as defined by the State Entity Contract Form and its incorporated documents.

(vi) **"State Entity Contract Form"** means the document that contains basic information about the Contract and incorporates by reference the applicable Contract Terms and Conditions, the RFX, Contractor's Response to the RFX, the final pricing documentation for Services and any mutually agreed clarifications, modifications, additions and deletions resulting from final contract negotiations. No objection or amendment by a Contractor to the RFX requirements or the Contract shall be incorporated by reference into this Contract unless the State Entity has accepted the Contractor's objection or amendment in writing. The State Entity Contract Form is defined separately and referred to separately throughout the State Entity Contract as a means of identifying the location of certain information. For example, the initial term of the Contract is defined by the dates in the State Entity Contract Form.

(vii) "**User Agency**" or "**User Agencies**" means any, agencies, departments, boards, bureaus, commissions, institutions, political subdivisions or other entities of the State of Georgia entitled to make purchases from this Statewide Contract.

2. **Priority of Contract Provisions**. Any pre-printed contract terms and conditions included on Contractor's forms or invoices shall be null and void.

3. **Reporting Requirements.** Contractor shall provide all reports required by the RFX. In addition, unless otherwise provided in the RFX, Contractor shall keep a record of the purchases made pursuant to the Contract and shall submit quarterly written reports to the State Entity in a format as mutually agreed.

4. **User Agency Contract.** The User Agency Contract will be defined separately. A User Agency's Contract shall not diminish, change, or impact the rights of the State Entity with regard to the State Entity's contractual relationship with the Contractor under this Contract.

B. DURATION OF CONTRACT

1. The Contract between the State Entity and the Contractor shall begin and end on the dates specified in the State Entity Standard Contract Form unless terminated earlier in accordance with the applicable terms and conditions.

2. **Contract Renewal.** The Contract shall automatically renew at the end of the first term for one (1) additional year. The State Entity and the Contractor shall have the option to renew the Contract for up to three (3) additional one (1) year terms by signed written mutual agreement. Renewal will depend upon the best interests of the State, and Contractor's performance. If renewed, Contractor shall remain obligated to perform in strict accordance with this Contract unless otherwise agreed by the State Entity and the Contractor. Both parties agree to provide ninety (90) days' prior written notice of non-renewal to the other party at the address set forth below or current business address.

3. **Contract Extension.** In the event that this Contract shall terminate or be likely to terminate prior to the making of an award for a new contract for the Services, the State Entity may, with the written consent of Contractor, extend this Contract for such period as may be necessary to afford the State a continuous supply of the Services.

C. DESCRIPTION OF SERVICES

1. **Specifications in Bidding Documents.** All Services shall be provided in accordance with the specifications contained in the RFX, the terms of the Contract, and as further described in Contractor's Response. The State Entity agrees to establish a voluntary employee purchase program (the "Program") under which its eligible employees ("employees") may purchase goods and services in the categories permitted by the State Entity, including computers, electronics, home appliances, home furnishings, fitness equipment and other categories from the Contractor, and enable payments for their purchases by payroll deduction administered by the State Accounting Office ("SAO"). The term "eligible employees" shall mean those active employees who meet the minimum eligibility requirements for the Program which are set by Contractor as follows: (1) a minimum employment tenure of twelve (12) months, (2) annual salary of at least $16,000, and (3) at least eighteen (18) years of age.

2. **Communication to Eligible Employees.** State Entity agrees to provide Contractor with reasonable opportunities to communicate the Program to eligible employees for the purpose of communicating, explaining, promoting and offering the Program to such employees, which may include (a) an introductory message sent to eligible employees via electronic mail, (b) maintaining a posting on relevant internal websites/intranets, (c) enrollment message(s) during open enrollment periods, (d) direct mail to eligible employees, and/or (e) other means of communicating with employees as may be mutually agreed and approved by the State Entity

from time to time. The precise means of communicating with employees shall be agreed by the State Entity and Contractor during the implementation process and from time to time. Prior approval from the State Entity must be obtained for all materials/communications using the State Entity's name and logo on any such communication. State Entity will provide a modified eligibility file to Contractor during implementation, with regular updates aligned with State's payroll cycle to reflect changes, which contains the following data elements: (1) Unique employee payroll identification number, (2) First initial of first name and last name, (3) employee salary, (4) date of hire, (5) employment status – e.g., active, LOA or terminated, (6) pay period frequency/cycle, and (7) employment type – e.g., full-time or part-time.

3. **Non-Exclusive Rights.** The Contract is not exclusive. The State Entity reserves the right to select other contractors to provide services similar to the Services described in the Contract during the term of the Contract.

4. **No Minimums Guaranteed.** The Contract does not guarantee any minimum level of purchases or use of Services.

D. COMPENSATION/PAYROLL DEDUCTION

1. **Billings.** Unless otherwise agreed in writing by the State Entity and the Contractor, the Contractor shall not be entitled to receive any payment or compensation from the State Entity for Services provided by or on behalf of the Contractor under the Contract. The Contractor and State Entity shall be solely responsible for paying all of their own costs, expenses and charges they incur in connection with their performance under the Contract.

2. **Payroll Deduction.** State Entity will make its best efforts to ensure SAO will honor and administer all requests from employees ("Participants") for periodic payroll deductions for the payment of purchases under the Program as specified and authorized by Participants. Before a Participant's first order is processed and a payroll deduction is submitted, Contractor will use the modified eligibility file, along with other data provided directly to Contractor by the employee (such as name, address and SSN), to perform identity verification and authentication on the Participant, including the use of an interactive identity validation quiz provided to Contractor by a reputable third party provider. Contractor will also obtain from the Participant valid authorization of the payroll deduction via an online customer contract with Participant which includes Participant's valid electronic signature pursuant to applicable laws regarding validity and enforceability of electronic signatures.

3. **Reporting & Processing**. Contractor will submit to SAO periodic statements indicating the amount of payments to be deducted from each Participant's payroll. SAO will withhold deductions authorized by such Participants, and to remit to Contractor all payroll deductions accumulated on behalf of each Participant in the amounts indicated in their periodic statements furnished to State Entity and SAO by Contractor. All deductions will be remitted to Contractor in accordance with the schedule established during the implementation process. Deductions missed because of insufficient pay, leave of absence, or termination will be dealt with in accordance with applicable law, payroll system capabilities and policies established during the implementation process.

4. **Notification.** If a state employee is terminated from his or her employment, State Entity agrees to notify Contractor of such termination as soon as reasonably practical in accordance with the schedule established during the implementation process.

5. **Responsibility.** The State Entity is not responsible for the payment of any employee purchase after the separation or termination of such employee's employment. However, SAO shall be responsible for transmitting to Contractor any and all funds which were deducted from such employee's payroll prior to the date of employee's separation or termination. The State does not provide any guarantee of payment should employee not pay Contractor for their purchase, and the State assumes no other responsibility except as expressly provided herein.

E. TERMINATION

1. **Immediate Termination.** Pursuant to O.C.G.A. Section 50-5-64, this Contract will terminate immediately and absolutely if the State Entity determines that adequate funds are de-appropriated such that the State Entity cannot fulfill its obligations under the Contract, which determination is at the State Entity's sole discretion and shall be conclusive. Further, the State Entity may terminate the Contract for any one or more of the following reasons effective immediately without advance notice:

    (i) In the event the Contractor is required to be certified or licensed as a condition precedent to providing the Services, the revocation or loss of such license or certification may result in immediate termination of the Contract effective as of the date on which the license or certification is no longer in effect;

    (ii) The State Entity determines that the actions, or failure to act, of the Contractor, its agents, employees or subcontractors have caused, or reasonably could cause, life, health or safety to be jeopardized;

    (iii) The Contractor fails to comply with confidentiality laws or provisions; and/or

    (iv) The Contractor furnished any statement, representation or certification in connection with the Contract or the bidding process which is materially false, deceptive, incorrect or incomplete.

2. **Termination for Cause.** The occurrence of any one or more of the following events shall constitute cause for the non-defaulting party to declare the other party in default of its obligations under the Contract:

    (i) Either party fails to deliver or has delivered nonconforming Services or fails to perform, any material requirement of the Contract or is in violation of a material provision of the Contract;

    (ii) A party determines that satisfactory performance of the Contract is substantially endangered or that a default is likely to occur;

    (iii) A party fails to make substantial and timely progress toward performance of the Contract;

    (iv) The Contractor becomes subject to any bankruptcy or insolvency proceeding under federal or state law to the extent allowed by applicable federal or state law including bankruptcy laws; the Contractor terminates or suspends its business; or the State Entity reasonably believes that the Contractor has become insolvent or unable to pay its obligations as they accrue consistent with applicable federal or state law;

    (v) The Contractor has failed to comply with applicable federal, state and local laws, rules, ordinances, regulations and orders when performing within the scope of the Contract;

(vi) The Contractor has engaged in conduct that has or may expose the State Entity or the State to liability, as determined in the State Entity's reasonable discretion; or

(vii) The Contractor has infringed any patent, trademark, copyright, trade dress or any other intellectual property rights of the State Entity, the State, or a third party.

3. **Notice of Default.** If there is a default event caused by either party, the non-defaulting party shall provide written notice to the defaulting party requesting that the breach or noncompliance be remedied within the period of time specified in the written notice (with a minimum cure period of 30 days). If the breach or noncompliance is not remedied within the period of time specified in the written notice, the non-defaulting party may:

(i) Immediately terminate the Contract without additional written notice; and/or

(ii) Enforce the terms and conditions of the Contract and seek any legal or equitable remedies.

4. **Termination For Convenience Upon Notice.** At any time after the initial term, either party may terminate the Contract in whole or in part at its convenience upon ninety (90) days' prior written notice to the other party, without the payment of any penalty or incurring any further obligation to such other party.

5. **Termination Due to Change in Law.** Either party shall have the right to terminate this Contract without penalty by giving thirty (30) days' written notice to the other party as a result of any of the following:

(i) The State Entity's authorization to operate is withdrawn or there is a material alteration in the programs administered by the State Entity; and/or

(ii) Either party's duties are substantially modified.

6. **Payment Limitation in Event of Termination.** The State shall not be liable for any costs incurred by the Contractor in its performance of the Contract, including, but not limited to, startup costs, overhead or other costs associated with the performance of the Contract. The Contractor shall not be liable for any costs incurred by the State Entity in its performance of the Contract, including, but not limited to, startup costs, overhead or other administrative costs associated with the performance of the Contract.

7. **The Contractor's Termination Duties.** Upon receipt of notice of termination or upon request of the State Entity, the Contractor shall:

(i) Cease work under the Contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination, describing the status of all work under the Contract, including, without limitation, results accomplished, conclusions resulting therefrom, and any other matters the State Entity may require;

(ii) Immediately cease using and return to the State Entity after the conclusion of payroll deductions, any personal property or materials, whether tangible or intangible, provided by the State Entity to the Contractor;

(iii) Comply with the State Entity's instructions for the timely transfer of any active files and work product produced by the Contractor under the Contract after conclusion of payroll deductions;

(iv) Cooperate in good faith with the State Entity and its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement contractor(s); and

(v) Immediately return to the State Entity any payments made by the State Entity for Services that were not delivered or rendered by the Contractor.

8. **The State Entity's Termination Duties.** Upon the effective date of any non-renewal or termination of the Contract or any other cessation of the Program for any reason or no reason, the Contractor shall immediately stop accepting new orders from employees for purchases under the Program, and SAO shall continue processing payroll deductions for active employees' purchases made prior such effective date until all such purchases are paid in full (which period shall not exceed one year).

F. CONFIDENTIAL INFORMATION

1. **Access to Confidential Data.** The Contractor's employees, agents and subcontractors may have access to or receive confidential data maintained by the State or provided by State's employees to the extent necessary to carry out the Contractor's responsibilities under the Contract. The Contractor shall presume that all information received pursuant to the Contract from the State or its employees is confidential unless otherwise designated by the State. If it is reasonably likely the Contractor will have access to the confidential information, then:

(i) The Contractor shall provide to the State a written description of the Contractor's policies and procedures to safeguard confidential information;

(ii) Policies of confidentiality shall address, as appropriate, information conveyed in verbal, written, and electronic formats;

(iii) The Contractor must designate one individual who shall remain the responsible authority in charge of all data collected from the State or its employees by the Contractor in connection with the performance of the Contract; and

(iv) The Contractor shall provide adequate supervision and training to its agents, employees and subcontractors to ensure compliance with the terms of the Contract.

The private or confidential data provided to Contractor by the State Entity shall remain the property of the State at all times. Some Services performed for the State Entity may require the Contractor to sign a nondisclosure agreement. Contractor understands and agrees that refusal or failure to sign such a nondisclosure agreement, if required, may result in termination of the Contract.

2. **No Dissemination of Confidential Data.** No confidential data provided by the State or its employees to Contractor in the course of performance of the Contract shall be disseminated except as authorized by law and with the written consent of the State and the employee, either during the period of the Contract or thereafter. Any data supplied by the State Entity to the Contractor shall be considered the property of the State. The Contractor must return or, if

requested by the State Entity, destroy all data provided by the State Entity to the Contractor in the course of the performance of the Contract, in whatever form it is maintained, promptly at the request of the State. State Entity acknowledges that should employees wish to participate in the Program and purchase products or services directly from Contractor, such Participants will provide information and data to Contractor, and additional Participant customer data will be created and maintained by Contractor in connection therewith. Such Participant customer data shall be proprietary to Contractor, and shall be protected by the privacy policies, and the confidentiality policies and practices of Contractor.

3. **Subpoena.** In the event that a subpoena or other legal process is served upon the Contractor for records containing confidential information, the Contractor shall promptly notify the State and cooperate with the State in any lawful effort to protect the confidential information.

4. **Reporting of Unauthorized Disclosure.** The Contractor shall immediately report to the State any unauthorized disclosure of confidential information.

5. **Survives Termination.** The Contractor's confidentiality obligation under the Contract shall survive termination of the Contract.

G. INDEMNIFICATION

1. **Contractor's Indemnification Obligation.** The Contractor agrees to indemnify and hold harmless the State and State officers, employees, agents, and volunteers (collectively, "Indemnified Parties") from any and all costs, expenses, losses, claims, damages, liabilities, settlements and judgments, including reasonable value of the time spent by the Attorney General's Office, related to or arising from:

   Any material breach of the Contract;

   Any negligent, intentional or wrongful act or omission of the Contractor or any employee, agent or subcontractor utilized or employed by the Contractor;

   Any failure of Services to comply with applicable specifications, warranties, and certifications under the Contract;

   The negligence or fault of the Contractor in design, testing, development or otherwise with respect to the Services provided under the Contract;

   The Contractor's performance or attempted performance of the Contract, including any employee, agent or subcontractor utilized or employed by the Contractor;

   Any failure by the Contractor to comply with the "Compliance with the Law" provision of the Contract;

   Any failure by the Contractor to make all reports, payments and withholdings required by federal and state law with respect to social security, employee income and other taxes, fees or costs required by the Contractor with respect to its own employees to conduct business in the State of Georgia or the United States;

   Any infringement by Contractor's performance of Services of any copyright, trademark, patent, trade dress, or other intellectual property right;

Any failure by the Contractor to adhere to the confidentiality provisions of the Contract;

Any claim by an employee against the State Entity to the extent such claim alleges any event or conduct covered by one or more of the foregoing subsections (i) – (vii) which arose from such employee's purchase under the Program; or

Any claim by an employee against the State Entity to the extent such claim alleges an error or mistake by Contractor in the processing of such employee's payroll deductions which arose from such employee's purchase under the Program.

2. **Duty to Reimburse State Tort Claims Fund.** To the extent such damage or loss as covered by this indemnification is covered by the State of Georgia Tort Claims Fund ("the Fund"), the Contractor (and its insurers) agrees to reimburse the Fund. To the full extent permitted by the Constitution and the laws of the State and the terms of the Fund, the Contractor and its insurers waive any right of subrogation against the State, the Indemnified Parties, and the Fund and insurers participating thereunder, to the full extent of this indemnification.

3. **Litigation and Settlements.** The Contractor shall, at its own expense, be entitled to and shall have the duty to participate in the defense of any suit against the Indemnified Parties. No settlement or compromise of any claim, loss or damage entered into by the Indemnified Parties shall be binding upon Contractor unless approved in writing by Contractor. No settlement or compromise of any claim, loss or damage entered into by Contractor shall be binding upon the Indemnified Parties unless approved in writing by the Indemnified Parties.

4. **Patent/Copyright Infringement Indemnification.** Contractor shall, at its own expense, be entitled to and shall have the duty to participate in the defense of any suit instituted against the State and indemnify the State against any award of damages and costs made against the State by a final judgment of a court of last resort in such suit insofar as the same is based on any claim that any of the Services constitutes an infringement of any United States Letters Patent or copyright, provided the State gives the Contractor immediate notice in writing of the institution of such suit, permits Contractor to fully participate in the defense of the same, and gives Contractor all available information, assistance and authority to enable Contractor to do so. Subject to approval of the Attorney General of the State of Georgia, the State Entity shall tender defense of any such action to Contractor upon request by Contractor. Contractor shall not be liable for any award of judgment against the State reached by compromise or settlement unless Contractor accepts the compromise or settlement. Contractor shall have the right to enter into negotiations for and the right to effect settlement or compromise of any such action, but no such settlement shall be binding upon the State unless approved by the State.

   In case any of the Services is in any suit held to constitute infringement and its use is enjoined, Contractor shall, at its option and expense:

   (i) Procure for the State the right to continue using the Services;

   (ii) Replace or modify the same so that it becomes non-infringing; or

   (iii) Remove the same and cancel any future charges pertaining thereto.

   Contractor, however, shall have no liability to the State if any such patent, or copyright infringement or claim thereof is based upon or arises out of:

(i) Compliance with designs, plans or specifications furnished by or on behalf of the State Entity as to the Services;

(ii) Use of the Services in combination with apparatus or devices not supplied by Contractor;

(iii) Use of the Services in a manner for which the same was neither designed nor contemplated; or

(iv) The claimed infringement of any patent or copyright in which the State Entity or any affiliate or subsidiary of the State Entity has any direct interest by license or otherwise.

5. **Survives Termination.** The indemnification obligation of the Contractor shall survive termination of the Contract.

H. INSURANCE

Contractor shall provide all insurance as required by the RFX.

I. RESERVED.

J. WARRANTIES

1. **Construction of Warranties Expressed in the Contract with Warranties Implied by Law.** All warranties made by the Contractor and/or subcontractors in all provisions of the Contract and the Contractor's Response, whether or not the Contract specifically denominates the Contractor's and/or subcontractors' promise as a warranty or whether the warranty is created only by the Contractor's affirmation or promise, or is created by a description of the Services to be provided, or by provision of samples to the State shall not be construed as limiting or negating any warranty provided by law, including without limitation, warranties which arise through course of dealing or usage of trade, the warranty of merchantability, and the warranty of fitness for a particular purpose. The warranties expressed in the Contract are intended to modify the warranties implied by law only to the extent that they expand the warranties applicable to the Services provided by the Contractor. The provisions of this section apply during the term of the Contract and any extensions or renewals thereof.

2. **Warranty – Nonconforming Services.** All Services delivered by Contractor to the State Entity shall be free from any defects in design, material, or workmanship. If any Services offered by the Contractor are found to be defective in material or workmanship, or do not conform to Contractor's warranty, the State Entity shall have the option of returning, repairing, or replacing the defective Services at Contractor's expense. Payment for Services and any goods shall not constitute acceptance. Acceptance by the State Entity shall not relieve the Contractor of its warranty or any other obligation under the Contract.

3. **Compliance with Federal Safety Acts.** Contractor warrants and guarantees to the State that the Services provided under the Contract are in compliance with Sections 5 and 12 of the Federal Trade Commission Act; the Fair Packaging and Labeling Act; the Federal Food, Drug, and Cosmetic Act; the Consumer Product Safety Act; the Federal Environmental Pesticide Control Act; the Federal Hazardous Substances Act; the Fair Labor Standards Act; the Wool Products Labeling Act; the Flammable Fabrics Act; the Occupational Safety and Health Act; the Office of Management and Budget A-110 Appendix A; and the Anti-Kickback Act of 1986.

4. **Originality and Title to Concepts, Materials, and Services Performed.** Contractor represents and warrants that all the concepts, materials, and Services produced, or provided to the State pursuant to the terms of the Contract shall be wholly original with the Contractor or that the Contractor has secured all applicable interests, rights, licenses, permits or other intellectual property rights in such concepts, materials and works. The Contractor represents and warrants that the concepts, materials, and Services and the State's use of same and the exercise by the State of the rights granted by the Contract shall not infringe upon any other work, other than material provided by the Contract to the Contractor to be used as a basis for such materials, or violate the rights of publicity or privacy of, or constitute a libel or slander against, any person, firm or corporation and that the concepts, materials and works will not infringe upon the copyright, trademark, trade name, trade dress patent, literary, dramatic, statutory, common law or any other rights of any person, firm or corporation or other entity. The Contractor represents and warrants that it is the owner of or otherwise has the right to use and distribute the Services contemplated by the Contract.

5. **Conformity with Contractual Requirements.** The Contractor represents and warrants that the Services provided in accordance with the Contract will appear and operate in conformance with the terms and conditions of the Contract.

6. **Authority to Enter into Contract.** The Contractor represents and warrants that it has full authority to enter into the Contract and that it has not granted and will not grant any right or interest to any person or entity that might derogate, encumber or interfere with the rights granted to the State and the State Entity.

7. **Obligations Owed to Third Parties.** The Contractor represents and warrants that all obligations owed to third parties with respect to the activities contemplated to be undertaken by the Contractor pursuant to the Contract are or will be fully satisfied by the Contractor so that the State and the State Entity will not have any obligations with respect thereto.

8. **RESERVED.**

9. **Industry Standards.** The Contractor represents and expressly warrants that all aspects of the Services provided or used by it shall at a minimum conform to the standards in the Contractor's industry. This requirement shall be in addition to any express warranties, representations, and specifications included in the Contract, which shall take precedence.

10. **Contractor's Personnel and Staffing.** Contractor warrants that all persons assigned to perform Services under this Contract are either lawful employees of Contractor or lawful employees of a subcontractor authorized by the State Entity as specified in the RFX. All persons assigned to perform Services under this Contract shall be qualified to perform such Services. Personnel assigned by Contractor shall have all professional licenses required to perform the Services.

11. **State Security.** State Entity requires that a criminal background investigation be made of any and all Contractor personnel utilized to provide Services to the State. Contractor represents and warrants that Contractor shall refrain from assigning personnel to any task under this Contract if such investigation reveals a disregard for the law or other background that indicates an unacceptable security risk as determined by the State. The Contractor's employees, agents and subcontractors may be granted access to state computers, hardware, software, programs and/or information technology infrastructure or operations to the extent necessary to carry out the Contractor's responsibilities under the Contract. Such access may be terminated at the sole discretion of the State. The Contractor shall provide immediate notice to State Entity of any

employees, agents and/or subcontractors suspected of abusing or misusing such access privilege. The Contractor represents and warrants that Contractor shall provide notice to State Entity of the changed status of any employee, agent or subcontractor granted access to state computers, hardware, software, programs and/or information technology infrastructure or operations, including, but not limited to, termination or change of the position or contract relationship.

12. **Use of State Vehicles.** Contractor warrants that no State vehicles will be used by Contractor for the performance of Services under this Contract. Contractor shall be responsible for providing transportation necessary to perform all Services.

13. **Products and goods sold to Participants under the Program.** State Entity acknowledges that the Contractor will sell products, goods and services directly to eligible employees as Participants under the Program. As such, the terms and conditions of the warranties provided by Contractor to such Participants are customarily the limited warranties provided by the vendors and manufacturers of such products, goods and services. Thus, notwithstanding anything herein to the contrary, Contractor expressly does not provide any such warranties to the State Entity as the State Entity is not the direct purchaser of such products, goods and services.

K. PRODUCT RECALL

If this Contract includes the provision of goods and in the event that any of the goods are found by the Contractor, the State, any governmental agency, or court having jurisdiction to contain a defect, serious quality or performance deficiency, or not to be in compliance with any standard or requirement so as to require or make advisable that such goods be reworked or recalled, the Contractor will promptly publish all relevant facts to the Participants who purchased such goods and undertake (or have the vendor or manufacturer undertake) all corrective actions, including those required to meet all obligations imposed by laws, regulations, or orders, and shall file all necessary papers, corrective action programs, and other related documents, provided that nothing contained in this section shall preclude the State Entity from taking such action as may be required of it under any such law or regulation.

L. CONTRACT ADMINISTRATION

1. **Order of Preference.** In the case of any inconsistency or conflict among the specific provisions of the State Entity Standard Contract Terms and Conditions (including any amendments accepted by both the State Entity and the Contractor attached hereto), the RFX (including any subsequent addenda), and the Contractor's Response, any inconsistency or conflict shall be resolved as follows:

   (i) First, by giving preference to the specific provisions of the State Entity Contract Terms and Conditions.

   (ii) Second, by giving preference to the specific provisions of the RFX.

   (iii) Third, by giving preference to the specific provisions of the Contractor's Response, except that objections or amendments by a Contractor that have not been explicitly accepted by the State Entity in writing shall not be included in this Contract and shall be given no weight or consideration.

2. **Intent of References to Bid Documents.** The references to the parties' obligations, which are contained in this document, are intended to supplement or clarify the obligations as stated in the

RFX and the Contractor's Response. The failure of the parties to make reference to the terms of the RFX or the Contractor's Response in this document shall not be construed as creating a conflict and will not relieve the Contractor of the contractual obligations imposed by the terms of the RFX and the Contractor's Response. The contractual obligations of the State Entity cannot be implied from the Contractor's Response.

3. **Compliance with the Law.** The Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations and orders now or hereafter in effect when performing under the Contract, including without limitation, all laws applicable to the prevention of discrimination in employment and the use of targeted small businesses as subcontractors or contractors. The Contractor, its employees, agents and subcontractors shall also comply with all federal, state and local laws regarding business permits and licenses that may be required to carry out the work performed under the Contract. Contractor and Contractor's personnel shall also comply with all State and State Entity policies and standards in effect during the performance of the Contract, including but not limited to the State Entity's policies and standards relating to personnel conduct, security, safety, confidentiality, and ethics. Further, the provisions of O.C.G.A. Section 45-10-20 et seq. have not and must not be violated under the terms of this Contract.

4. **Drug-free Workplace.** The Contractor hereby certifies as follows:

   (i) Contractor will not engage in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of this Contract; and

   (ii) If Contractor has more than one employee, including Contractor, Contractor shall provide for such employee(s) a drug-free workplace, in accordance with the Georgia Drug-free Workplace Act as provided in O.C.G.A. Section 50-24-1 et seq., throughout the duration of this Contract; and

   (iii) Contractor will secure from any subcontractor hired to work on any job assigned under this Contract the following written certification: "As part of the subcontracting agreement with (Contractor's Name), (Subcontractor's Name) certifies to the contractor that a drug-free workplace will be provided for the subcontractor's employees during the performance of this Contract pursuant to paragraph 7 of subsection (b) of Code Section 50-24-3."

   Contractor may be suspended, terminated, or debarred if it is determined that:

   (i) Contractor has made false certification here in above; or

   (ii) Contractor has violated such certification by failure to carry out the requirements of O.C.G.A. Section 50-24-3(b).

5. **Amendments.** The Contract may be amended in writing from time to time by mutual consent of the parties. If the contract award exceeds the delegated purchasing authority of the State Entity, then the State Entity must obtain approval of the amendment from the Department of Administrative Services (DOAS). All amendments to the Contract must be in writing and fully executed by duly authorized representatives of the State Entity and the Contractor.

6. **Third Party Beneficiaries.** The Contract is intended only to benefit the State Entity, the State, State's employees and the Contractor.

7. **Choice of Law and Forum.** The laws of the State of Georgia shall govern and determine all matters arising out of or in connection with this Contract without regard to the choice of law provisions of State law. In the event any proceeding of a quasi-judicial or judicial nature is commenced in connection with this Contract, such proceeding shall solely be brought in a court or other forum of competent jurisdiction within Fulton County, Georgia. This provision shall not be construed as waiving any immunity to suit or liability, including without limitation sovereign immunity, which may be available to the State.

8. **Parties' Duty to Provide Notice of Intent to Litigate and Right to Demand Mediation.** In addition to any dispute resolution procedures otherwise required under this Contract or any informal negotiations which may occur between the State and the Contractor, no civil action with respect to any dispute, claim or controversy arising out of or relating to this Contract may be commenced without first giving fourteen (14) calendar days written notice to the State of the claim and the intent to initiate a civil action. At any time prior to the commencement of a civil action, either the State or the Contractor may elect to submit the matter for mediation. Either the State or the Contractor may exercise the right to submit the matter for mediation by providing the other party with a written demand for mediation setting forth the subject of the dispute. The parties will cooperate with one another in selecting a mediator and in scheduling the mediation proceedings. Venue for the mediation will be in Atlanta, Georgia; provided, however, that any or all mediation proceedings may be conducted by teleconference with the consent of the mediator. The parties covenant that they will participate in the mediation in good faith, and that they will share equally in its costs; provided, however, that the cost to the State shall not exceed five thousand dollars ($5,000.00).

   All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or employees of any mediation service, are inadmissible for any purpose (including but not limited to impeachment) in any litigation or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Inadmissibility notwithstanding, all written documents shall nevertheless be subject to the Georgia Open Records Act, O.C.G.A. Section 50-18-70 et seq.

   No party may commence a civil action with respect to the matters submitted to mediation until after the completion of the initial mediation session, forty-five (45) calendar days after the date of filing the written request for mediation with the mediator or mediation service, or sixty (60) calendar days after the delivery of the written demand for mediation, whichever occurs first. Mediation may continue after the commencement of a civil action, if the parties so desire.

9. **Assignment and Delegation.** The Contract may not be assigned, transferred or conveyed in whole or in part without the prior written consent of the State Entity.

10. **Use of Third Parties.** Except as may be expressly agreed to in writing by the State Entity, Contractor shall not subcontract, assign, delegate or otherwise permit anyone other than Contractor or Contractor's personnel to perform any of Contractor's obligations under this Contract or any of the work subsequently assigned under this Contract. No subcontract which Contractor enters into with respect to performance of obligations or work assigned under the Contract shall in any way relieve Contractor of any responsibility, obligation or liability under this Contract and for the acts and omissions of all subcontractors, agents, and employees. All

restrictions, obligations and responsibilities of the Contractor under the Contract shall also apply to the subcontractors. Any contract with a subcontractor must also preserve the rights of the State Entity. The State Entity shall have the right to request the removal of a subcontractor from the Contract for good cause.

11. **Integration.** The Contract represents the entire agreement between the parties. The parties shall not rely on any representation that may have been made which is not included in the Contract.

12. **Headings or Captions.** The paragraph headings or captions used in the Contract are for identification purposes only and do not limit or construe the contents of the paragraphs.

13. **Not a Joint Venture.** Nothing in the Contract shall be construed as creating or constituting the relationship of a partnership, joint venture, (or other association of any kind or agent and principal relationship) between the parties thereto. Each party shall be deemed to be an independent contractor contracting for the Services and acting toward the mutual benefits expected to be derived herefrom. Neither Contractor nor any of Contractor's agents, servants, employees, subcontractors or contractors shall become or be deemed to become agents, servants, or employees of the State. Contractor shall therefore be responsible for compliance with all laws, rules and regulations involving its employees and any subcontractors, including but not limited to employment of labor, hours of labor, health and safety, working conditions, workers' compensation insurance, and payment of wages. No party has the authority to enter into any contract or create an obligation or liability on behalf of, in the name of, or binding upon another party to the Contract.

14. **Joint and Several Liability.** If the Contractor is a joint entity, consisting of more than one individual, partnership, corporation or other business organization, all such entities shall be jointly and severally liable for carrying out the activities and obligations of the Contract, and for any default of activities and obligations.

15. **Supersedes Former Contracts or Agreements.** Unless otherwise specified in the Contract, this Contract supersedes all prior contracts or agreements between the State Entity and the Contractor for the Services provided in connection with the Contract.

16. **Waiver.** Except as specifically provided for in a waiver signed by duly authorized representatives of the State Entity and the Contractor, failure by either party at any time to require performance by the other party or to claim a breach of any provision of the Contract shall not be construed as affecting any subsequent right to require performance or to claim a breach.

17. **Notice.** Any and all notices, designations, consents, offers, acceptances or any other communication provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by Federal Express, courier or other similar and reliable carrier which shall be addressed to the person who signed the Contract on behalf of the party at the address identified in the State Entity Standard Contract Form. Each such notice shall be deemed to have been provided:

   (i) At the time it is actually received; or,

   (ii) Within one (1) day in the case of overnight hand delivery, courier or Services such as Federal Express with guaranteed next day delivery; or,

(iii) Within five (5) days after it is deposited in the U.S. Mail in the case of registered U.S. Mail.

From time to time, the parties may change the name and address of the person designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

18. **Cumulative Rights.** The various rights, powers, options, elections and remedies of any party provided in the Contract shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

19. **Severability.** If any provision of the Contract is determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the validity or enforceability of any other part or provision of the Contract. Further, if any provision of the Contract is determined to be unenforceable by virtue of its scope, but may be made enforceable by a limitation of the provision, the provision shall be deemed to be amended to the minimum extent necessary to render it enforceable under the applicable law. Any agreement of the State Entity and the Contractor to amend, modify, eliminate, or otherwise change any part of this Contract shall not affect any other part of this Contract, and the remainder of this Contract shall continue to be of full force and effect.

20. **Time is of the Essence.** Time is of the essence with respect to the performance of the terms of the Contract. Contractor shall ensure that all personnel providing Services to the State are responsive to the State's requirements and requests in all respects.

21. **Authorization.** The persons signing this Contract represent and warrant to the other parties that:

    (i) It has the right, power and authority to enter into and perform its obligations under the Contract; and

    (ii) It has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of the Contract and the Contract constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

22. **Successors in Interest.** All the terms, provisions, and conditions of the Contract shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

23. **Record Retention and Access.** The Contractor shall maintain books, records and documents in accordance with generally accepted accounting principles and procedures and which sufficiently and properly document and calculate all charges billed to the State throughout the term of the Contract for a period of at least five (5) years following the date of final payment or completion of any required audit, whichever is later. Records to be maintained include both financial records and service records. The Contractor shall permit the Auditor of the State of Georgia or any authorized representative of the State, and where federal funds are involved, the Comptroller General of the United States, or any other authorized representative of the United States government, to access and examine, audit, excerpt and transcribe any directly pertinent books, documents, papers, electronic or optically stored and created records or other records

of the Contractor relating to orders, invoices or payments or any other documentation or materials pertaining to the Contract, wherever such records may be located during normal business hours. The Contractor shall not impose a charge for audit or examination of the Contractor's books and records. If an audit discloses incorrect billings or improprieties, the State reserves the right to charge the Contractor for the cost of the audit and appropriate reimbursement. Evidence of criminal conduct will be turned over to the proper authorities.

24. **Ethics in Government.** The Contractor warrants that Contractor is in and shall remain in compliance with O.C.G.A 21-5-76. The Contractor warrants that no lobbyist has been employed for compensation contingent, in whole or in part, upon the granting or awarding of any state contract.

25. **Public Records.** The laws of the State of Georgia, including the Georgia Open Records Act, as provided in O.C.G.A. Section 50-18-70 et seq., require procurement records and other records to be made public unless otherwise provided by law.

26. **Clean Air and Water Certification.** Contractor certifies that none of the facilities it uses to provide the Services are on the Environmental Protection State Entity (EPA) List of Violating Facilities. Contractor will immediately notify the State Entity of the receipt of any communication indicating that any of Contractor's facilities are under consideration to be listed on the EPA List of Violating Facilities.

27. **Debarred, Suspended, and Ineligible Status.** Contractor certifies that the Contractor and/or any of its subcontractors have not been debarred, suspended, or declared ineligible by any agency of the State of Georgia or as defined in the Federal Acquisition Regulation (FAR) 48 C.F.R. Ch.1 Subpart 9.4. Contractor will immediately notify the State Entity if Contractor is debarred by the State or placed on the Consolidated List of Debarred, Suspended, and Ineligible Contractors by a federal entity.

28. **Use of Name or Intellectual Property**. Contractor agrees it will not use the name or any intellectual property, including but not limited to, State trademarks or logos in any manner, including commercial advertising or as a business reference, without the expressed prior written consent of the State.

29. **Taxes.** The State Entity is exempt from Federal Excise Taxes, and no payment will be made for any taxes levied on Contractor's employee's wages.

30. **Certification Regarding Sales and Use Tax.** By executing the Contract, the Contractor certifies it is either (a) registered with the State Department of Revenue, collects, and remits State sales and use taxes as required by Georgia law, including Chapter 8 of Title 48 of the O.C.G.A.; or (b) not a "retailer" as defined in O.C.G.A. Section 48-8-2. The Contractor also acknowledges that the State may declare the Contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the State Entity or its representative filing for damages for breach of contract.

31. **Delay or Impossibility of Performance.** Neither party shall be in default under the Contract if performance is delayed or made impossible by an act of God. In each such case, the delay or impossibility must be beyond the control and without the fault or negligence of the Contractor. If delay results from a subcontractor's conduct, negligence or failure to perform, the Contractor shall not be excused from compliance with the terms and obligations of the Contract.

32. **Limitation of Contractor's Liability to the State.** Except as otherwise provided in this Contract, Contractor's liability to the State for any claim of damages arising out of this Contract shall be limited to direct damages and shall not exceed $500,000.

No limitation of Contractor's liability shall apply to Contractor's liability for loss or damage to State equipment or other property while such equipment or other property is in the sole care, custody, and control of Contractor's personnel. Contractor hereby expressly agrees to assume all risk of loss or damage to any such State equipment or other property in the care, custody, and control of Contractor's personnel. Contractor further agrees that equipment transported by Contractor personnel in a vehicle belonging to Contractor (including any vehicle rented or leased by Contractor or Contractor's personnel) shall be deemed to be in the sole care, custody, and control of Contractor's personnel while being transported. Nothing in this section shall limit or affect Contractor's liability arising from claims brought by any third party.

33. **Obligations Beyond Contract Term.** The Contract shall remain in full force and effect to the end of the specified term or until terminated or canceled pursuant to the Contract. All obligations of the Contractor and State Entity incurred or existing under the Contract as of the date of expiration, termination or cancellation will survive the termination, expiration or conclusion of the Contract.

34. **Counterparts.** The State Entity and the Contractor agree that the Contract has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument. Facsimile and/or scan of signed counterparts exchanged via electronic message shall be valid and effective for all purposes.

35. **Further Assurances and Corrective Instruments.** The State Entity and the Contractor agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of the Contract.

Administrative Services Committee Meeting
9/12/2017 1:10 PM
APPROVAL OF PURCHASING POWER VENDOR

Department:	Human Resources Department
Presenter:	
Caption:	Approve proposal to allow Augusta to contract with Purchasing Power to provide a payroll deduction based loan program as a benefit to Augusta GA.'s employees utilizing a State of Georgia's Entity Contract, which was approved by the State to begin November 1, 2016 with four renewals. Also authorize the Mayor to execute the contract on behalf of Augusta.
Background:	The vendor, "Purchasing Power" presented their product to the Mayor and Human Resources Director at a meeting on May 15th 2017. This product appears to provide those employees with limited financial resources the ability to make emergency purchases at a minimum of cost. The 45,000 products offered are sold for an average of 13% above retail market through payroll deductions. No interest is charged to the employee and there are no late fees. The entire cost of the item is expected to be paid for within 6 to 12 months through payroll deduction. The amount of purchase averages 6% - 8% of the employee's gross income in order to control spending. This service prevents the employee from having to use expensive payday loans and title loans whose fees can add up and become difficult to pay off. The concept is to provide a minimum of cost to the employee while providing them with the ability to purchase without high interest credit cards and loans.
Analysis:	This program benefits low income employees who live from check to check and have difficulties with purchasing for emergencies. Items such as tires, auto repair, major appliances and repairs. 40% of employees do not have at least $2000 in emergency savings. 56% of Americans do not qualify for prime credit. 58% are looking to their employers for more help in achieving financial security through employee benefits. The cost to the government in productivity is born out through studies that show 37% of employees are spending , on average , 2 hours per week dealing with personal finance issues. 70% of HR

	professionals believe that financial stress has an impact on employee work performance. The company, "Purchasing Power" has over 260 clients from over 15 industries including the State of Georgia. It has a 94% Client retention rate, has an A+ rating from the Better Business Bureau and over 7.8 million customers in their plans. 45% (1,095) of full time employees employed at Augusta, GA. are earning below $35,000 of which 210 earn less than $25,000 annually.
Financial Impact:	There is no, or minimal (we may need to engage Superion to create a program. It could be free, or it could cost up to $3,000) additional financial impact to the government. The only cost to the employee is an average mark-up of 13% above manufactures suggested retail pricing on the products purchased. It is estimated that the Finance department will spend two to four hours a month to administer the payroll deductions.
Alternatives:	Do not offer the program to the employees.
Recommendation:	Allow the Administrator and Legal to prepare a contract for the approval of the Commission.
Funds are Available in the Following Accounts:	N/A

<u>REVIEWED AND APPROVED BY</u>:

Finance.
Procurement.
Law.
Administrator.
Clerk of Commission

Administrative Services Committee Meeting
9/12/2017 1:10 PM
Augusta Probation Services

Department:

Presenter:

Caption: Update from the Administrator regarding the operations of the Augusta Probation Services Department. **(Requested by Commissioner Marion Williams)**

Background:

Analysis:

Financial Impact:

Alternatives:

Recommendation:

Funds are Available in the Following Accounts:

REVIEWED AND APPROVED BY:

Administrative Services Committee Meeting
9/12/2017 1:10 PM
Lake Olmstead Stadium

Department:

Presenter: Commissioner Bill Fennoy

Caption: Discuss the Lake Olmstead Stadium. **(Requested by Commissioner Bill Fennoy) (Referred from August 29 Administrative Services)**

Background:

Analysis:

Financial Impact:

Alternatives:

Recommendation:

Funds are Available in the Following Accounts:

REVIEWED AND APPROVED BY:

Augusta
GEORGIA

Administrative Services Committee Meeting Commission Chamber - 8/29/2017

ATTENDANCE:

Present: Hons. Hardie Davis, Jr., Mayor; M. Williams, Chairman; Jefferson, Chairman; Davis and D. Williams, members.

ADMINISTRATIVE SERVICES

1. Request Commission approval to purchase one non-CDL required dump truck for the Recreation Department. (Bid Item 17-188)

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve. Mr. M. Williams abstains. Motion Passes 3-0 -1.	Commissioner Dennis Williams	Commissioner Andrew Jefferson	Passes

2. Motion to accept as information the Housing and Community Development Department's application for the National Endowment of the Arts "Our Town FY18" Grant cycle to increase citizen and visitor awareness and knowledge of Mr. James Brown, a local historic musician, through the use of various artworks.

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve receiving this item as information. Motion Passes 4-0.	Commissioner Dennis Williams	Commissioner Mary Davis	Passes

3. Award Eye Med (Combined Insurance) contract renewal and authorize the Mayor to execute the contract.

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve. Motion Passes 4-0.	Commissioner Andrew Jefferson	Commissioner Mary Davis	Passes

4. Discuss (and receive as information) amending the 2011, 2013, 2014 and 2015 Action Plans to Re-program $152,095.00, and Revise the Scope of Work in Community Development Block Grant (CDBG) funds.

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve this item, allow for a 30-day comment period and bring it back for final approval on October 3. Motion Passes 4-0.	Commissioner Andrew Jefferson	Commissioner Mary Davis	Passes

5. Discuss the hiring of a City of Augusta Community/Special Events Manager. **(Requested by Commissioner Marion Williams)**

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve receiving this item as information and continue this discussion during the budget talks. Motion Passes 4-0.	Commissioner Mary Davis	Commissioner Andrew Jefferson	Passes

6. Discuss the Lake Olmstead Stadium. **(Requested by Commissioner Bill Fennoy)**

Item Action: Rescheduled

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result

Defer	Motion to refer this item to the next committee meeting. Motion Passes 4-0.	Commissioner Mary Davis	Commissioner Andrew Jefferson	Passes

7. Motion to approve the minutes of the Administrative Services Committee held on August 8, 2017.

Item Action: Approved

Motions

Motion Type	**Motion Text**	**Made By**	**Seconded By**	**Motion Result**
Approve	Motion to approve. Motion Passes 4-0.	Commissioner Andrew Jefferson	Commissioner Andrew Jefferson	Passes

8. Discuss potential usage and ownership of the historic Penny & Savings Bank Building located on Laney-Walker Blvd. **(Requested by Commissioner Marion Williams)**

Item Action: Approved

Motions

Motion Type	**Motion Text**	**Made By**	**Seconded By**	**Motion Result**
Approve	Motion to approve receiving this item as information. Motion Passes 4-0.	Commissioner Andrew Jefferson	Commissioner Mary Davis	Passes

9. Presentation by Shameka Gilead regarding ban the box on job applications and not knowing about the bonding letter.

Item Action: Approved

Motions

Motion Type	**Motion Text**	**Made By**	**Seconded By**	**Motion Result**
Approve	Motion to approve receiving this item as information. Motion Passes 4-0.	Commissioner Mary Davis	Commissioner Andrew Jefferson	Passes

10. Update from the Administrator on the operations of the Augusta Probation Services Department. **(Requested by Commissioner Marion Williams)**

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve receiving this item as information. Motion Passes 4-0.	Commissioner Mary Davis	Commissioner Dennis Williams	Passes

11. Adopt resolution affirming Augusta as a What Works City and establishment of Open Data Policy in support of What Works City Initiative. **(Requested by Mayor Hardie Davis, Jr.) (Referred from August 15 Commission meeting)**

Item Action: Approved

Motions

Motion Type	Motion Text	Made By	Seconded By	Motion Result
Approve	Motion to approve. Motion Passes 4-0.	Commissioner Mary Davis	Commissioner Andrew Jefferson	Passes

Administrative Services Committee Meeting
9/12/2017 1:10 PM
Minutes

Department:	Clerk of Commission
Presenter:	
Caption:	Motion to approve the minutes of the Administrative Services Committee held on August 29, 2017.
Background:	
Analysis:	
Financial Impact:	
Alternatives:	
Recommendation:	
Funds are Available in the Following Accounts:	

REVIEWED AND APPROVED BY:

Administrative Services Committee Meeting
9/12/2017 1:10 PM
Continuum of Care Application

Department:	Housing and Community Development
Presenter:	Hawthorne E. Welcher, Jr.
Caption:	Authorize Submission of the 2017 Exhibit I Continuum of Care Application to HUD and Grant the Mayor the Authority to Execute all Forms associated with the Application, which also include, New and Renewal Applications, Certifications, Agreements and Annual Progress Reports.
Background:	Each year Housing & Community Development Department apply to HUD for funding through the annual NOFA Continuum of Care Homeless Assistance. These funds are used to support the Homeless Information Management System (HMIS), Planning Grant, administrative services, supplies and provide case managementto partner agencies. These grants renew each year at the same amount from October 1 to September 30 (HMIS – $184,475), and October 1 to September 30 (Planning – $18,000).
Analysis:	Approval will allow the city to continue comprehensive services to the homeless population of Augusta-Richmond County.
Financial Impact:	These are competitive grant funds received from HUD to the city for continued operation of the Homeless Information Management System (HMIS), Technical Assistance (TA) and services.
Alternatives:	None recommended
Recommendation:	Approve Submission of the CoC Application to HUD, and grant the Mayor the Authority to Execute all forms associated with the Application, which includes submission of: New and Renewal Applications, Applications Certifications, Agreements and Annual Progress Reports.
Funds are Available in the Following	Fund 221

Accounts:

REVIEWED AND APPROVED BY: