STATE OF MONTANA TERM CONTRACT

Department of Administration
State Procurement Bureau
165 Mitchell Building
PO Box 200135
Helena, MT 59620-0135
Phone: (406) 444-2575 Fax: (406) 444-2529
TTY Users-Dial 711
gsd.mt.gov

Term Contract SPB #09-1159D
Title: Payment Processing Services

This is an exclusive contract.

CONTRACT TERM	FROM	May 22, 2009	CONTRACT STATUS	NEW (XX)
	TO	December 31, 2013		RENEW ( )
VENDOR ADDRESS	TransFirst Health Services, Inc 7400 West 100th St, Suite 500 Overland Park, KS 66210		ORDER ADDRESS	Same
ATTN:	Christy Corey, President		ATTN:	
PHONE:	317-598-0928		PHONE:	

PRICES: PER CCONTRACT
DELIVERY:
F.O.B.:
TERMS: NET 30 DAYS

REMARKS: For more information regarding this term contract, please contact:
Jill Lotter, Contracts Officer
State Procurement Bureau
406-444-3315
jlotter@mt.gov
(or at the address noted above)

IFB/RFP No:
SPB#09-1159D

Jill M. Lotter

Jill M. Lotter, Contracts Officer

DATE: May 29, 2009

AUTHORIZED SIGNATURE

PAYMENT PROCESSING SERVICES
SPB09-1159D

1. PARTIES

THIS CONTRACT is entered into by and between the **State of Montana, Department of Administration,** General Services Division, (hereinafter referred to as "the State"), whose address and phone number are P.O. Box 200135, Helena, MT 59620-0135 and (406) 444-2575, and **TransFirst Health Services, Inc.** (hereinafter referred to as the "Contractor"), whose address and phone number are 7400 West 110th Street , Suite 500, Overland Park, KS 66210 and 317-598-0928.

THE PARTIES AGREE AS FOLLOWS:

2. EFFECTIVE DATE, DURATION, AND RENEWAL

2.1 Contract Term. This contract shall take effect on May 22, 2009, (or upon contract execution) and terminate on December 31, 2013, unless terminated earlier in accordance with the terms of this contract. (Section 18-4-313, MCA)

2.2 Contract Renewal. This contract may, upon mutual agreement between the parties and according to the terms of the existing contract, be renewed in one-year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not to exceed a total of 10 years, at the option of the State.

3. INTERCHANGE AND ASSESSMENT PRICE ADJUSTMENTS

The Contractor agrees to provide to the State thirty (30) days written notice for any price adjustments for changes in pass through (interchange and assessment). Cost increases to the flat fee transaction cost will not be allowed.

4. SERVICES AND/OR SUPPLIES

The Contractor agrees to work collaboratively with State agencies to provide the following services and supplies. The following sections include certain requirements listed within the Request for Proposal as amended, but are not all-inclusive. The Contractor agrees to provide the additional services and/or supplies included within the Request for Proposal as amended. The Request for Proposal shall be posted as an additional document to this contract for stakeholder reference.

4.1 Implementation and Transition.

4.1.1 Planning Team. During implementation planning, the team will be joined by Sr. Technical Project Manager and Project Coordinator. All conversions will begin with an interrogatory between Contractor's Account Managers, State Representatives as well as State agency representative who will be involved with the conversion. This process will include collection of detailed information regarding technology in use, required process flow, requested improvements in the project, special requirements, and vendor or third party details. From this point the Contractor will develop a detailed conversion project plan and present this to all parties. Scheduled weekly calls will be set to provide updates and progress reports back to all involved parties. Prioritization will be in conjunction with State assigned manager(s); urgent needs that are not pre-determined by occur with any existing account can be accommodated real-time outside of the originally scheduled conversion project plan. Conversion of merchants is considered the foundation for future success in any processing relationship and heavy emphasis on correct management of this project will be clearly communicated to all involved staff.

4.1.2 Implementation and Change Procedures. The Contractor, upon execution of contract, shall contact the Department of Administration's State Liaison identified in Section 16.2 to begin

implementation planning. The State Liaison and Contractor will determine an overall Implementation plan that meets specific agency's implementation requirements and conversion planning identified in Section 4.1.3. In addition, the Contractor and the State's Liaison will establish Change Procedures consistent with the State's overall Information Technology Plan.

4.1.3 Conversion Plan. Contractor's Account Management along with the State Liaison and designated agency representatives, as required, will develop a customized conversion plan for each State agency. The conversion plan shall include a scheduled plan developed to minimize, as possible, the impact of normal operations. The State's Liaison, operating as a central point of contact, will monitor the Contractor's progress to ensure the establish agency conversion plan is implemented as scheduled.

4.1.4 Employee Training. Contractor shall provide all training to all Agencies at no cost. Training will include printed materials for process flows, Product User Guides and Quick Reference cards, Help Desk and other Escalation Telephone lists, and any items specific to any Agencies final product set. Each Merchant ID set-up and implementation for any Agency will be accompanied by a telephone or webinar training for the actual end-users of the processing or reporting systems, scheduled in conjunction with timelines that meet Agency staff availability. Contractor will work with Accounting, IT, or other State staff on training needs as they arise, again with documentation, teleconference, and/or webinars to keep them abreast of any products in use, processes in place, or specific Visa/MC subjects that might impact the processing programs.

4.1.5 Web Interface Requirements. Contractor's proprietary gateway and Virtual Terminal are available to all sites with Internet connectivity and Internet Explorer as an available Windows based browser.

4.2 Equipment.

4.2.1 Update Current Programming. Contractor will support the State's current terminals, printers, and PC software solutions for as long as the solutions are PCI compliant. In the event that any of the solutions is not compliant or becomes non-compliant, Contractor will make a recommendation for a comparable substitute solution.

4.2.2 End-of-Life Terminals. Contractor will cover the cost of replacing "end-of-life" terminals.

4.2.3 Service Program Equipment Provided. Contractor will provide a minimum of 12 Pin Pads for Pin Debit transactions and add additional Pin Pads to locations identified through a collaborative effort between Contractor and the State as potential locations where additional cost savings can be achieved through the acceptance of Pin Debit Transactions.

4.2.4 Service Program: Available Supplies/Equipment. Contractor requires the following equipment to perform the resultant contract:

- PCI Compliant POS Terminals
- PCI Compliant Payment Processing software or Internet Gateways.
- Access to the Internet to use Transaction Central, Contractor's proprietary, web based processing solution.

Paper Type	Price
VX 510LE Paper	$25.95 per case
P250 Paper	$50 per roll
T7Plus Paper	$1.99 per roll/$50 per case plus shipping

4.2.5 Maintain Current "Point-of-Sale" Options. Contractor will support the State's current terminals, printers, and PC software solutions for as long as the solutions are PCI compliant. Additionally, any equipment that is approaching "end of life" by the manufacturer possibly creating

vulnerability for the merchant via fraud or breach, where parts become difficult to come by for repair, will also be reviewed regularly for proactive assurance of consistent and continued service.

4.3 Transaction Requirements.

Contractor will offer credit card acceptance methods to suit the transaction processing needs of all business environments:

- Terminal-dial based or IP based
- Pin Based Debit
- Wireless Terminal
- Pont of Sale (POS) PC Software
- E-Commerce Online (Internet/Web based) (merchant entry or consumer entry)
- Kiosk/SST (Self Service/Card Activated Terminals)
- Interactive Voice Response (IVR)

4.4 Availability and Response.

4.4.1 Average Response Time. The average response time for dial authorizations is eight (8) seconds during peak hours and six (6) seconds during non-peak hours. For Internet authorizations, the average response time during peak hours is three to four (3-4) seconds and during non-peak hours is two to three (2-3) seconds.

4.4.2 Downtime. Contractor provides a fully redundant Continuity of Business (COB) system in a separate geographic location from our primary authorization data centers. The COB site is located in a major data center and has 24 x 7 x 365 operational support. All merchants are protected from single point of failure relative to processing of transaction through our systems.

All systems operate 24 hours a day, 365 days a year for our merchant's processing needs. Contractor to provide in-house toll free 24 hour customer service to our merchant customers 365 days a year as well, including holidays. Contractor provides 24-hour customer service and technical support for our merchant customers. Contractor does not provide a toll-free help desk for cardholders.

The average speed of answer will be under 30 seconds.

Contractor analyzes usage of all systems before scheduling downtime. In the event of system maintenance, Contractor will route transaction processing to our back-up data center to ensure continuity of business.

4.4.3 Service and Maintenance Call Response. Contractor will provide a toll-free number, available to designated agency personnel, for 24-hour real-time Help Desk assistance. The Help Desk shall provide services noted in this contract, the RFP as amended, and within Contractor's response. Contractor shall operate this desk in-house. Staff members assigned to the Help Desk will successfully respond to 90% of standard credit card support questions and issues. These include but are not limited to batch look ups, specific transaction questions, balancing deposits, terminal or software end user assistance, terminal or software technical issues, change of mailing address, change of bank account, requests for paper or print ribbon supplies, chargeback assistance, and other services detailed within the RFP and Contractor's response. Help Desk staff members will have live access to the Contractor's entire merchant database and will respond according to file build, stated handling protocol, and project specifics as built into the original file by the Project Account Managers representing the State and the Contractor. Help Desk staff members will handle the majority (90% as noted above) of all service requests, be trained on escalation timing and procedures, and have live transfer access to the escalation team as necessary for issue resolution. In addition, the Contractor's Account Representatives, Managers, and Division Executive assigned to

the Montana project shall have direct access to help desk notes and complete reviews of recent service occurrences to ensure satisfactory resolutions are achieved.

Designated agency personnel will also have access to Account Representatives, Managers, and Division Executive for escalation of serious issues or issues outside the standard Help Desk protocol. The Contractor's escalation member contacted shall, as part of the escalation process, provide the reporting agency with a 15-minute acknowledgment of a reported issue during Contractor's normal business hours (9:00 am to 5:00 pm CST). The Contractor shall report any escalation issue reported to a Contract Manager or higher to the State Contract Manager identified in Section 16.1. Contractor shall provide direct phone numbers and email information for all escalation contacts.

Escalation staff shall provide designated agency personnel written updates for reported issues unresolved within seven calendar days from original notification date. Contractor shall provide weekly updates, or less as determined appropriate or upon mutual agreement, via email or other written communication until the issue is resolved. Escalated issues requiring weekly reporting and handled by a Contract Manager or above shall also notice the State Contract Manager. Contractor shall resolve requests using proper research, technical inquiry, and other standard methods. While the Contractor is responsible for problem resolution, the State, through its designated agency personnel, shall provide assistance determined necessary to resolve outstanding issues. Designated agency representatives, at their discretion, may request a higher escalation level.

4.5 Security Measures. Contractor maintains a comprehensive security program that is audited each year to validate compliance with Payment Card Industry Data Security Standards (PCI DSS) with Visa's CISO and MasterCard's SDP. The PCI DSS audit also validated compliance with other card brand data protection programs.

4.6 Compliance and Internal Controls.

4.6.1 Statement on Auditing Standards No. 70 (SAS70). Contractor must demonstrate adequate controls and safeguards over data and transactions maintained and processed on behalf of the State. Contractor will have an annual (Level II) SAS70 Audits completed for the period ended December 31, 2009 and each subsequent calendar while under contract. Contractor will provide copies of all SAS70 audit reports throughout the contract by April 30 of each year beginning April 30, 2010, unless an alternate date is mutually agreed upon.

4.6.2 Payment Card Industry Data Security Standards (PCI DSS). Contractor will maintain the necessary control requirements to ensure PCI DSS Compliance.

4.7 State Accounting, Budgeting, and Human Resource System (SABHRS) Interface. The new interface shall be placed in production July 1, 2009, unless otherwise approved by the State. The Contractor will meet with the State's Project Manager and other designated representatives to obtain interface specifications and requirements necessary for creation of an implementation plan. The State shall review and approved the Contractor's implementation plan and make accessible the expertise necessary for the Contractor to meet established time-lines.

4.8 Statement Reconciliations. The total of all transactions will be deposited daily. No fees will be netted against these deposits so daily balancing to bank statements is simplified. Contractor will invoice monthly discount fees to the State treasury department on a monthly basis. Prior to the invoicing, Contractor will reconcile each invoice to the merchant statement generated for each individual merchant account. The fees will be calculated on net sales. In the event of disputed or missing invoices, the State shall contact the assigned Account Representative for a detailed explanation and corrective action.

4.9 Deposit Settlement . Contractor will make deposits to the State treasury account within 24 hours after the close of transactions submitted electronically. Contractor will deposit each batch as a separate line item into the State's bank account. The line item will contain the merchant number associated with the batch deposit. Contractor provides on-line reporting through a proprietary

information system whereby the State may view each individual batch deposit for each merchant account and, not only be able to identify the batch total, but to also be able to drill down on the settled batch report to identify each of the transactions that make up the batch.

4.10 New Technology/Cost Savings Ideas. The Contractor shall conduct quarterly reviews to determine if new services and/or products would be beneficial to the State. Contractor shall notify the State Contract Manager of any recommendations made to State agencies.

4.11 Contractor Personnel

4.11.1 Account Manager The Account Manager will help the State improve interchange, where possible, and offer suggestions to other areas of cost savings. On-site meetings will be scheduled as needed, at a location of the State's discretion to discuss the status of the State's relationship with Contractor, cost savings initiatives and to discuss new product and/or service offerings. The Account Manager will make prescheduled visits to the State to ensure service levels are at or exceeding expectations.

4.11.2 Account Representative. The Account Representative will be the primary contact for daily communication; readily available to provide assistance and support as needed; familiar with area conditions and state personnel at most locations.

4.11.3 Additional Support Personnel. Contractor shall provide additional support personnel as required to perform the work specified.

4.11.4 Notification of Personnel Changes. Contractor will notify the State immediately of changes in key personnel during the contract period.

5. CONSIDERATION/PAYMENT

5.1 Payment Schedule. In consideration for the Payment Processing Services to be provided, the State shall pay according to the following schedule following schedule thirty (30) days upon receipt of invoice:
Fixed Fee (exclusive of Interchange and Assessments).....$0.08 Per Transaction Processed

5.2 Withholding of Payment. The State may withhold disputed payments to the Contractor if the Contractor is in material breach of this contract. Such withholding cannot be greater than, in the aggregate, fifteen percent (15%) of the contract's total value. The Contractor is not relieved of its performance obligation in the event such payment is withheld.

6. ACCESS AND RETENTION OF RECORDS

6.1 Access to Records. The Contractor agrees to provide the State, Legislative Auditor, or their authorized agents access to any records required to be made available by 18-1-118 MCA, in order to determine contract compliance.

6.2 Retention Period. The Contractor agrees to create and retain records supporting the Credit Card Processing Services for a period of three years after either the completion date of this contract or the conclusion of any claim, litigation, or exception relating to this contract taken by the State of Montana or a third party.

7. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

The Contractor shall not assign, transfer, or subcontract any portion of this contract without the express written consent of the State. (Section 18-4-141, MCA)

8. LIMITATION OF LIABILITY

The Contractor's liability for contract damages is limited to direct damages and further to no more than twice the contract amount. The Contractor shall not be liable for special, incidental, consequential, punitive, or indirect damages. Damages caused by injury to persons or tangible property, or related to intellectual property indemnification, are not subject to a cap on the amount of damages.

9. REQUIRED INSURANCE

9.1 General Requirements. The Contractor shall maintain for the duration of this contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

9.2 Primary Insurance. The Contractor's insurance coverage with respect to the Contractor's negligence shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

9.3 Specific Requirements for Commercial General Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of **$1,000,000** per occurrence and **$2,000,000** aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for liability arising out of activities performed by or on behalf of the Contractor. This coverage includes the insured's general supervision of the Contractor; products and completed operations; or premises owned, leased, occupied, or used.

9.4 Crime Insurance. The Contractor shall purchase and maintain occurrence coverage throughout the contract of **$2,000,000** per occurrence for Crime Insurance. Crime Insurance shall include; 1) Fidelity insurance covering employee dishonesty, fraud, forgery, and other criminal acts; and 2) Electronic Fraud insurance covering embezzlement, theft, or other criminal acts involving computers and electronic processing.

9.5 Certificate of Insurance/Endorsements. Contractor shall submit a certificate of insurance from an insurer with a Best's rating of no less than B++. The certificate must include all required coverages. The Contractor has provided evidence of coverage to the State Procurement Bureau, Department of Administration, at P.O. Box 200135, Helena, MT 59620. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State reserves the right to require certificates of insurance policies at all times.

10. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance Sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the Contractor nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of this contract. A renewal document must be sent to the State Procurement Bureau, Department of Administration, P.O. Box 200135, Helena, MT 59620, upon expiration.

11. COMPLIANCE WITH LAWS

The Contractor must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with Section 49-3-207, MCA, the Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing this contract.

12. CONTRACT OVERSIGHT

12.1 CIO Oversight. The Chief Information Officer (CIO) for the State of Montana, or designee, may perform contract oversight activities. Such activities may include the identification, analysis, resolution, and prevention of deficiencies that may occur within the performance of contract obligations. The CIO may require the issuance of a right to assurance or the issuance of a stop work order.

12.2 Right to Assurance. If the State, in good faith, has reason to believe that the Contractor does not intend to, or is unable to perform or has refused to perform or continue performing all material obligations under this contract, the State may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand (in no event less than five business days) may, at the State's option, be the basis for terminating this contract under the terms and conditions or other rights and remedies available by law or provided by this contract.

12.3 Stop Work Order. The State may, at any time, by written order to the Contractor, require the Contractor to stop any or all parts of the work required by this contract for the period of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The State Project Manager shall make the necessary adjustment in the delivery schedule or contract price, or both, and this contract shall be amended in writing accordingly.

13. CONTRACT TERMINATION

13.1 Termination for Cause. The State or the Contractor may, by written notice to the other party, terminate this contract in whole or in part at any time the other party fails to perform this contract pursuant to **Section 14**, Event of Breach – Remedies.

13.2 Bankruptcy or Receivership. Voluntary or involuntary bankruptcy or receivership by the Contractor may be cause for termination.

13.3 Noncompliance with Department of Administration Requirements. The Department of Administration, pursuant to Section 2-17-514, MCA, retains the right to cancel or modify any contract, project, or activity that does not comply with the Department's Plan for Information Technology, the State Strategic Plan for Information Technology, or any Statewide IT policy or standard in effect as of the date of contract execution. In the event of such termination, the State will pay for products and services delivered to date and any applicable termination fee specified in the statement of work or work order. The parties must mutually agree to any modifications to this contract.

13.4 Reduction of Funding. The State must terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance of this contract in a subsequent fiscal period. (See Section 18-4-313(4), MCA.)

14. EVENT OF BREACH – REMEDIES

14.1 Event of Breach. Any one or more of the following acts or omissions of the Contractor shall constitute an event of breach:

- **a.** products or services furnished by the Contractor fail to conform to any requirement of this contract; or
- **b.** failure to submit any report required by this contract; or
- **c.** failure to perform any of the other covenants and conditions of this contract, including beginning work under this contract without prior Department of Administration approval.

14.2 Actions in Event of Breach. Upon the occurrence of any material breach of this contract, either party may take either one, or both, of the following actions:

- **a.** give the breaching party a written notice specifying the event of breach and requiring it to be remedied within, in the absence of a greater specification of time, 30) days from the date of the notice; and if the event of breach is not timely remedied, terminate this contract upon giving the breaching party notice of termination; or
- **b.** treat this contract as materially breached and pursue any of its remedies at law or in equity, or both.

15. WAIVER OF BREACH

No failure by either party to enforce any provisions hereof after any event of breach shall be deemed a waiver of its rights with regard to that event, or any subsequent event. No express failure of any event of breach shall be deemed a waiver of any provision hereof. No such failure or waiver shall be deemed a waiver of the right of either party to enforce each and all of the provisions hereof upon any further or other breach on the part of the breaching party.

16. STATE PERSONNEL

16.1 State Contract Manager. The State Contract Manager identified below is the State's single point of contact and will perform all contract management pursuant to Section 2-17-512, MCA, on behalf of the State. Written notices, requests, complaints, or any other issues regarding this contract should be directed to the State Contract Manager.

The State Contract Manager for this contract is:
Jill Lotter, Contracts Officer
Department of Administration
State Procurement Bureau
P.O. Box 200135
125 North Roberts Street, Mitchell Building, Room 165
Helena, MT 59620-0135
406-444-3315
406-444-2529
jlotter@mt.gov

16.2 State Project Manager. The State Project Manager identified below will manage the day-to-day project activities on behalf of the State.

The State Project Manager for this contract is:
Jill Lotter, Contracts Officer
406-444-3315
406-444-2529
jlotter@mt.gov
(see 16.1 for full contact information)

17. CONTRACTOR PERSONNEL

17.1 Identification/Substitution of Personnel. The personnel identified or described in the Contractor's proposal shall perform the services provided for the State under this contract. The Contractor agrees that any personnel substituted during the term of this contract must be able to conduct the required work to industry standards and be equally or better qualified than the personnel originally assigned. The State reserves the right to approve the Contractor personnel assigned to work under this contract, and any changes or substitutions to such personnel. The State's approval of a substitution will not be unreasonably withheld. This approval or disapproval shall not relieve the Contractor to perform and be responsible for its obligations under this contract. The State reserves the right to require Contractor personnel replacement. In the event that Contractor personnel become unavailable, it will be the Contractor's responsibility to provide an equally qualified replacement in time to avoid delays to the work plan.

17.2 Contractor Contract Manager. The Contractor Contract Manager identified below will be the single point of contact to the State Contract Manager and will assume responsibility for the coordination of all contract issues under this contract. The Contractor Contract Manager will meet with the State Contract Manager and/or others necessary to resolve any conflicts, disagreements, or other contract issues.

The Contractor's Contract Manager for this contract is:
Christy Corey, President
TransFirst Health Services, Inc.
7400 West 110th Street, Suite 500
Overland Park, KS 66210
Office Phone: 317-598-0928
Fax: 317-598-0929
CCorey@transfirst.com

17.3 Contractor Project Manager. The Contractor's Project Manager identified below will manage the day-to-day project activities on behalf of the Contractor:

The Contractor Project Manager for this contract is:
Scott Jarumbo, Sr. Account Manager
TransFirst Health Services, Inc.
7400 West 110th Street, Suite 500
Overland Park, KS 66210
Toll-Free No: 888-840-6284
Office Phone: 317-598-0928
Fax: 317-598-0929
SJarumbo@Transfirst.com

18. MEETINGS AND REPORTS

18.1 Technical or Contractual Problems. The Contractor is required to meet with the State's personnel, or designated representatives, at no additional cost to the State, to resolve technical or contractual problems that may occur during the term of this contract. Meetings will occur as problems arise and will be coordinated by the State. Failure to participate in problem resolution meetings or failure to make a good faith effort to resolve problems may result in termination of this contract.

18.2 Progress Meetings. During the term of this contract, the State's Project Manager will plan and schedule progress meetings with the Contractor to discuss the progress made by the Contractor and the State in the performance of their respective obligations. These progress meetings will include the State Project Manager, the Contractor Project Manager, and any other additional personnel involved in the performance of this contract as required. At each such meeting, the Contractor shall provide the State with a written status report that identifies any problem or circumstance encountered by the Contractor, or of which the Contractor gained knowledge during the period since the last such status report, which may prevent the Contractor from

completing any of its obligations or may generate charges in excess of those previously agreed to by the parties. This may include the failure or inadequacy of the State to perform its obligation under this contract. The Contractor shall identify the amount of excess charges, if any, and the cause of any identified problem or circumstance and the steps taken to remedy the same.

18.3 Failure to Notify. In the event the Contractor fails to specify in writing any problem or circumstance that materially impacts the costs of its delivery hereunder, including a material breach by the State, about which the Contractor knew or reasonably should have known with respect to the period during the term covered by the Contractor's status report, the Contractor shall not be entitled to rely upon such problem or circumstance as a purported justification for an increase in the price for the agreed upon scope; provided, however, that the Contractor shall be relieved of its performance obligations to the extent the acts or omissions of the State prevent such performance.

18.4 State's Failure or Delay. For a problem or circumstance identified in the Contractor's status report in which the Contractor claims was the result of the State's failure or delay in discharging any State obligation, the State shall review same and determine if such problem or circumstance was in fact the result of such failure or delay. If the State agrees as to the cause of such problem or circumstance, then the parties shall extend any deadlines or due dates affected thereby, and provide for any additional charges by the Contractor. If the State does not agree as to the cause of such problem or circumstance, the parties shall each attempt to resolve the problem or circumstance in a manner satisfactory to both parties.

19. CONTRACTOR PERFORMANCE ASSESSMENTS

19.1 Assessments. The State may conduct assessments of the Contractor's performance. The Contractor will have an opportunity to respond to assessments, and independent verification of the assessment may be utilized in the case of disagreement.

19.2 Record. Completed assessments may be kept on record at the State's Information Technology Services Division and may serve as past performance data. Past performance data will be available to assist agencies in the selection of IT service providers for future projects. Past performance data may also be utilized in future procurement efforts.

20. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated for any reason, the Contractor must provide for a reasonable, mutually agreed period of time after the expiration or termination of this contract, all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by this contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, then the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

21. CHOICE OF LAW AND VENUE

This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees. (See Section 18-1-401, MCA.)

22. SCOPE, AMENDMENT, AND INTERPRETATION

22.1 Contract. This contract consists of 12 numbered pages, any Attachments as required, RFP# SPB09-1159D, as amended, and the Contractor's RFP response as amended. In the case of dispute or ambiguity about the minimum levels of performance by the Contractor, the order of precedence of document interpretation is as follows: 1) amendments to this contract, 2) this contract, 3) the applicable statement of work, 4) RFP # SPB09-1159D, as amended, and 5) the Contractor's RFP response, as amended.

22.2 Entire Agreement. These documents contain the entire agreement of the parties. Any enlargement, alteration or modification requires a written amendment signed by both parties.

23. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

Department of Administration
General Services Division
P.O. Box 200135
Helena, MT 59620 - 0135

BY: Brad Sanders, Bureau Chief
(Print Name/Title)

(Signature)

DATE: 5/29/09

Christy Corey, President
TransFirst Health Services, Inc
7400 West 110th Street, Suite 500
Overland Park, KS 66210
Federal Employer Identification No: 75-2598308

BY: Christy M. Corey, President
(Print Name/Title)

(Signature)

DATE: 5/29/09

Approved as to Legal Content:

Mike Manion 5/29/09
Mike Manion, Legal Counsel (Date)

Approved as to Form:

5/29/09
Jill Lotter, Procurement Officer (Date)
State Procurement Bureau

Information Technology Services Approval:

The Contractor is notified that pursuant to Section 2-17-514, MCA, the Department of Administration retains the right to cancel or modify any contract, project, or activity that is not in compliance with the Agency's Plan for Information Technology, the State Strategic Plan for Information Technology, or any statewide IT policy or standard.

5/29/09
Steve Bender (Date)
Deputy Chief Information Officer
Department of Administration