

April 11, 2001

Mr. Jay Chunderlik  
Bank of America  
Senior Vice President  
Contract Administration  
Commercial and Government Card Services  
Two Commercial Place, 7<sup>th</sup> Floor  
Norfolk, VA 23510-2104

Subject: Modification P00008 to Department of Defense (DoD) Tailored Task Order  
MDA210-98F-0031

Mr. Chunderlik:

The purpose of this letter is to provide you modification P00008 to the DoD Tailored Task Order MDA210-98F-0031 for the DoD Travel Card Program.

The modification contains those items agreed upon and accepted by both Bank of America (BoA) and the Department of Defense. You proposed some items that weren't included in the modification. While those items did not fall within the scope of the Tailored Task Order, DoD wanted to address them in this letter as a commitment to BoA to confirm our partnership in making the Travel Card Program successful.

BoA requested that the inprocessing and outprocessing procedures be made more stringent to ensure that Travel Card issues are addressed. The outprocessing procedures in place are designed to be very stringent. DoD will make a commitment to enforce the procedures with a primary focus being placed on Travel card issues.

BoA also requested that DoD implement a process where Agency Program Coordinators (APCs) would notify travelers of delinquencies when commanders were notified. DoD will implement that policy.

It was also requested that BoA be allowed to establish a \$5 pay by phone surcharge to be paid directly by the individual cardholder. This request was determined to be outside the scope of the GSA Master Contract, and subsequently, the DoD Tailored Task Order. BoA may choose to implement this surcharge with individual cardholders, exclusive of any provisions within the Master Contract or Tailored Task Order. We request that you notify the traveler that the fee is not reimbursable.

Please review modification P00008. If the terms and conditions addressed in the modification are acceptable, please sign the modification and return it to me. If you have any questions, I can be reached at 703 607-3936 or by email at James.Lee@DFAS.MIL.

James S. Lee  
Contracting Officer  
Defense Finance and Accounting Service

CONTINUATION SHEET

The purpose of this modification is to incorporate additional terms and conditions, and risk mitigation measures, into the DoD Tailored Task Order MDA210-98-F-0031 as follows:

1) The Bank is authorized to charge a maximum \$29 in lieu of the late fee authorized in CB.20.1 of the Government Smart-Pay Master Contract. The contractor may assess the \$29 on the undisputed charges made on individually billed accounts that are 75 calendar days past due (60 days past due plus a 15 day grace period). If assessed, the late fee shall be calculated from 75 calendar days past the closing date on the statement of account in which the charge appeared. The fees may be assessed monthly until the past due amount(s) are brought current. Bank of America (BOA) shall make allowances for those accounts that are mission critical and/or mission unique. Mission critical is defined as "travel performed by DoD personnel under competent orders and performing duties that, through no fault of their own, may prohibit the prompt payment of their outstanding travel charge card bills." Personnel in this category shall be determined on a case-by-case basis and designated by the supervisor. DoD will issue guidance requiring the prior approval of the supervisor before an APC may designate personnel as being in this category. While in this category, individual travel charge cards shall not be suspended or cancelled. Should there be outstanding bills they should be settled within 45 days of removal from this status. In addition, the Bank of America shall not penalize travelers when notified by the Government that payment delay was caused by the Government.

2) As defined in Volume 9 of the DoD Financial Management Regulation (FMR), DoD 7000.14-R, "infrequent travelers" are military or DoD civilian personnel who travel two or fewer times per year. Unit level APCs are responsible for identifying infrequent travelers and determining whether accounts of infrequent travelers will be placed in an inactive status through "deactivation". Not later than December 31, 2001, DoD will review cardholder files to identify infrequent travelers and, as deemed appropriate by the supervisor, will deactivate or cancel cards of infrequent travelers. After December 31, 2001, DoD shall review any lists provided by the Bank on a periodic basis to identify cards for potential deactivation or cancellation at the supervisor's discretion.

3) For Individually Billed Accounts, the Bank may establish cash and credit line limits of no less than \$250 cash/\$2,500 credit for standard cards and \$125 cash/\$1,000 credit for restricted cards. Cash and credit line limits will be phased in over a six-month transition period by amendment to the cardholder agreement, commencing 30 days from the effective date of this amendment. APCs can, with supervisor's approval, raise cash/credit limits to meet mission requirements when supported by competent orders.

4) Within 180 days of the effective date of this modification, DoD shall establish a procedure to collect, by salary offset, those individually billed account (IBA) delinquencies owed to BOA authorized for collection under Section 2 of the Travel and Transportation Reform Act of 1998 (TTRA), Pub. Law No. 105-264 (1998), and applicable regulation, and mutually agree on an implementation plan. BOA shall comply

with DoD established procedures for salary offset and pay appropriate administrative fees assessed by DoD for actions taken with respect to card holders undergoing active salary offset. To the extent that the collection of salary offset fees from cardholders is provided for in cardholder agreements, salary offset administrative fees may be billed to the cardholder via the chargecard statement. Once necessary procedures are established by DoD, BOA may submit requests for collection of delinquencies by salary offset that are 90 or more days after the closing date of the account, including amounts that may have been written off by BOA prior to this modification. DoD will make appropriate salary offsets after complying with due process procedures required by law. BOA will not report to Credit Bureaus, those accounts under active salary offset by DoD.

 5) The Bank agrees not to seek, or accept, "Credit loss fee" as defined under GSA Master Contract mod PS19 for any accounts or amounts recovered or under active salary offset.

6) The bank may charge a \$20 fee for the expeditious delivery of cards, usually within 24 hours CONUS and 48 hours OCONUS of receipt of the application, for individuals that are not currently in a travel status. Emergency replacement of cards lost, stolen, or otherwise unusable will be in accordance with paragraph CB 15.1.3 (f) and (g) of the GSA Master Contract.

7) Within 90 days of the effective date of this modification, DoD shall establish Default Split Disbursement for Individually Billed Accounts (IBAs) (except for the U.S. Marine Corps). If an account is overpaid, the Bank shall refund excess payments to travelers within 10 business days of notification by an individual cardholder and within 120 business days without notification. The Bank shall not penalize travelers for late payments or underpayments when notified by the Government that the payment delay or underpayment was caused by the Government. The Bank may assess a late fee if payment is not received within 30 days of the Government notification to the Bank of such payment error. (The U.S. Marine Corps is transitioning accounting and disbursing systems and will not begin default split disbursement at the same time the rest of DoD begins, but will begin at completion of the transition.)

8) The Bank is authorized to charge individual cardholders a \$29 return check fee.

9) The Bank is authorized to charge ATM Cash Advance Fees of \$2 or 3%, whichever is greater, for ATM cash advances.

10) DoD will issue guidance requiring that, when an applicable Command is notified that a cardholder is delinquent in the payment of outstanding amounts on their account, the applicable APC shall notify the cardholder whose account is delinquent.

11.) The DoD Tailored Task Order Provision 14 b, Value-Added Products/Services, is

hereby modified to allow the bank to negotiate requirements for a Debit Card with the individual requiring activity.

The Contractor and the Government agree to extend the period of performance of the Department of Defense task order that expired November 29, 2000, for a period of one year, through and including November 29, 2001. Additionally, the Contractor agrees that the clause "Option to Extend the Term of Task Orders: CITC-FSS-FCXC-350 (Nov 2000)," which the Contractor accepted in GSA Master Contract Modification PS 19 for prospective application applies equally to the Department of Defense

It is expressly understood that the modification agreed to herein acts as complete and full satisfaction of the Contractor's written proposals/demands for contract adjustment submitted to the U.S. Government (DoD and the General Services Administration (GSA)) between November 29, 2000 and this date. In consideration of this modification, Bank of America hereby releases the U.S. Government (DoD and GSA) from any and all liability under this contract for further equitable adjustments attributable to facts or circumstances that gave rise to those proposals/demands for adjustment, or attributable to changes in Travel Card Program scope and workload attributable to DoD's implementation of the Travel and Transportation Reform Act of 1998, Public Law No. 105-264.

This modification acts as accord and satisfaction of any potential claims by the bank against the U.S. Government (DoD and GSA) arising from or relating to the GSA Contracting Officer's final decision of December 13, 2000. The Bank forever releases DoD of any and all liability to the Bank relating to or arising from the facts and issues with respect to the exercise of the renewal option for the DoD task order for which the base period ended November 29, 2000, to include any claim for such liability that can be asserted under the Contract Disputes Act and/or arising under other provisions of law. Furthermore, it is expressly understood and agreed to that, within ten (10) calendar days of signing this modification, Bank of America will execute a settlement agreement with GSA providing for mutual release of any and all claims and liability relating to or arising from the facts and issues with respect to the exercise of the renewal option of the DoD task order for which the base period ended November 29, 2000, to include any claim for such liability that can be asserted under the Contract Disputes Act and/or arising under other provisions of law. As part of settlement with GSA, the Bank also agrees to move to have its appeal before the General Services Board of Contract Appeals, GSBCA No. 15526, dismissed with prejudice as to reinstatement.

All other terms and conditions remain unchanged.

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT	1. CONTRACT ID CODE	PAGE OF PAGES	
		1	3

2. AMENDMENT/MODIFICATION NO. P0008	3. EFFECTIVE DATE Apr 11, 2001	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
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6. ISSUED BY DEFENSE FINANCE AND ACCOUNTING SERVICE CRYSTAL MALL #3, ROOM 227 (ATTN: ASO/DPB) 1931 JEFFERSON DAVIS HIGHWAY ARLINGTON, VA 22240-5291	CODE MDA220	7. ADMINISTERED BY (if other than item 6) CODE SAME AS BLOCK #6
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8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) BANK OF AMERICA C/O GOVERNMENT SERVICES ATTN: DC9-909-08 1801 K STREET NW WASHINGTON, DC 20006	(X)	9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
	X	10A. MODIFICATION OF CONTRACT/ORDER NO. MDA210-98-F-0031
		10B. DATED (SEE ITEM 13) 04/02/98

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

( ) The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers ( ) is extended, (X) is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing items 8 and 15, and returning 1 copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (if required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

X D. OTHER (Specify type of modification and authority) MUTUAL AGREEMENT OF THE PARTIES

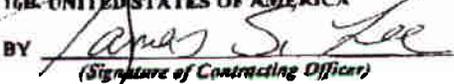
E. IMPORTANT: Contractor ( ) is not, (X) is required to sign this document and return 1 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The purpose of this modification is to incorporate additional terms and conditions into the subject DoD Tailored Task Order MDA210-98-F-0031.

SEE CONTINUATION SHEET

Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print) CLIFFORD A. SKELTON, SENIOR VICE PRESIDENT GOVERNMENT CARD EXECUTIVE, BANK OF AMERICA	16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) JAMES S. LEE, CONTRACTING OFFICER DEFENSE FINANCE AND ACCOUNTING SERVICE
15B. CONTRACTOR/OFFEROR  Signature of person authorized to sign)	15C. DATE SIGNED 11 April 2001
16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED Apr 11, 2001