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DEC 11 2014



MEMORANDUM

Management Services Memo No. 15-026

DATE: DECEMBER 11, 2014

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
 NACHIE MARQUEZ, ASSISTANT CITY MANAGER *NM*
 DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*

FROM: PENNY MALIA, ACCOUNTING MANAGER *PM*

SUBJECT: RESOLUTION NO. 4825 AUTHORIZING THE EXTENSION OF AGREEMENT NO. 2845, WITH JP MORGAN CHASE BANK, N.A., FOR BANKING SERVICES

RECOMMENDATION

Staff recommends adoption of Resolution No. 4825 authorizing the extension of Agreement No. 2845, with JP Morgan Chase Bank, N.A., for Banking Services, and authorize the City Manager to sign any documents, agreement amendments, or a request required to implement said agreement.

BACKGROUND

On December 9, 2010, City Council approved an agreement with JP Morgan Chase Bank, N.A. for banking services for a four-year period with the option of three additional two-year extensions. JP Morgan Chase has agreed to extend for one two-year period at the same terms, conditions and pricing. Extension of this agreement will be for a new term of January 1, 2015 through December 31, 2016, and is the first extension of the contract.

The scope of services includes checking account maintenance, deposits, armored car service, electronic payments and deposits (ACH), wire transfers, credit card payment processing and on-line bank transactions and reporting.

FINANCIAL IMPLICATIONS

Historically credits based on the Fed Funds rate offset the cost of service provided, however due to low interest rates in recent years, the City has not earned enough credits. Therefore, funds for the contract are from the General Fund, Non-Departmental, Bank Fees account

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(101.1290.5807). Estimated maximum costs for the term is \$97,582 per year if the Fed Funds rate remains at its current low level.

PROPOSED MOTION

Move for adoption of Resolution No. 4825 authorizing the extension of Agreement No. 2845, with JP Morgan Chase Bank, N.A., for Banking Services, and authorize the City Manager to sign any documents, agreement amendments, or a request required to implement said agreement.

Attachments: Resolution No. 4825
Amendment No. 2845

c: Marsha Reed, Assistant City Manager

RESOLUTION NO. 4825

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING THE EXTENSION OF AGREEMENT NO. 2845, WITH JP MORGAN CHASE BANK, N.A., FOR BANKING SERVICES

WHEREAS, the City of Chandler, Arizona requires banking services such as checking account maintenance, deposits, armored car service, electronic payments and deposits (ACH), wire transfers, credit card payment processing, and on-line bank transactions and reporting; and

WHEREAS, the City of Tempe with the City of Chandler undertook a joint procurement process for municipal banking services contracts for both Cities; and

WHEREAS, staff members from Tempe and Chandler participated in an evaluation and selection process of respondents to their request for proposals and determined that JP Morgan Chase Bank, N.A. ("Bank") should be awarded their contracts which each City separately negotiated with the Bank; and

WHEREAS, it is in the best interest of the City of Chandler to extend agreement no. 2845, Municipal Banking Services Agreement between the City of Chandler and JP Morgan Chase Bank, N.A.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Chandler, Arizona, as follows:

1. The City Council hereby approves the *Amendment No. 1 to the Municipal Banking Services Agreement between the City of Chandler and JP Morgan Chase Bank, N.A.*
2. The Mayor is hereby authorized to execute the *Amendment No. 1 to the Municipal Banking Services Agreement between the City of Chandler and JP Morgan Chase Bank, N.A.*
3. That the various City offices and employees be and they hereby are authorized and directed to perform all acts necessary to give effect to this Resolution.

INTRODUCED AND TENTATIVELY ADOPTED by the City Council of the City of Chandler, Maricopa County, Arizona, this ___ day of _____, 2014.

ATTEST:

CITY CLERK

MAYOR:

PASSED AND ADOPTED by the City Council of the City of Chandler, Arizona this ___ day of _____, 2014.

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4825 as duly passed and adopted by the City Council of the City of Chandler, at a regular meeting held on the ___ day of _____, 2014 and that a quorum was present thereat.

City Clerk

Published:

APPROVED AS TO FORM:

City Attorney (*KB*)

AMENDMENT NO. 1
TO AGREEMENT NO. 2845 BETWEEN THE CITY OF CHANDLER
AND
JPMORGAN CHASE BANK, N.A.
FOR
MUNICIPAL BANKING SERVICES

This Amendment #1 to that certain Agreement between the City Of Chandler (CITY) and JPMorgan Chase Bank, N.A. (CONTRACTOR) for Municipal Banking Services dated, December 14, 2010 and is entered into this 25 day of November, 2014.

WHEREAS, the parties have agreed;

NOW THEREFORE, the parties agree as follows:

1. This contract is extended for a two-year period, January 1, 2015 through December 31, 2016,
2. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect. All terms and conditions in the original Agreement not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this 25 day of November, 2014.

CITY OF CHANDLER:

By: _____
Mayor

CONTRACTOR:

By: Cheri D Ward
Title: Authorized Officer

APPROVED AS TO FORM:

City Attorney (JLB)

ATTEST: (If corporation)

ATTEST:

City Clerk

Secretary

WITNESS: (If individual or Partnership)

[SEAL]