



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**20**

**2. Council Meeting Date:**  
August 27, 2009

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** August 14, 2009

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Management Svs.

**5. SUBJECT:** Extend agreement MS6-946-2174 for banking services to JP Morgan Chase and First Data, for a one-year period.

**6. RECOMMENDATION:** Request the extension of agreement MS6-946-2174 for banking services to JP Morgan Chase and First Data, for a one-year period.

**7. HISTORICAL BACKGROUND/DISCUSSION:** On August 13, 2009 Council approved the first amendment, extending the agreement for one-year, for the City's banking needs consisting of checking account maintenance, deposits, armored car service, electronic payments and deposits (ACH), wire transfers, credit card payment processing, and on-line bank balance reporting. This second amendment extends the banking services related to Select Merchant Payment Card processing for one-year.

**8. EVALUATION PROCESS:** In September 2005, a three-year Agreement was awarded to JP Morgan Chase and First Data for banking services. The agreements included two optional one-year extensions. The Agreements expire on September 30, 2009. Staff is satisfied with the service provided by JP Morgan Chase and First Data and is requesting a one year extension.

**9. FINANCIAL IMPLICATIONS:** The bank compensation is received on a compensating balance basis, i.e., the earnings from City bank balances offset the cost of services provided.

**10. PROPOSED MOTION:** Move to extend agreement MS6-946-2174 for banking services to JP Morgan Chase and First Data, for a one-year period.

**APPROVALS**

**11. Requesting Department**

*Penny Burczyk*  
Penny Burczyk, Acting Accounting Manager

**12. Department Head**

*Dennis Strachota*  
Dennis Strachota

**13. Procurement Officer**

*Robert Combs, CPPB for*  
Kristy Garcia, CPPB

**14. City Manager**

*W. Mark Pentz*  
W. Mark Pentz

AMENDMENT NUMBER THREE  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER, JP MORGAN CHASE  
AND  
FIRST DATA, FORMERLY PAYMENTECH, LLC  
FOR BANKING SERVICES  
AGREEMENT NO. NO. MS6-946-2174 and  
SELECT MERCHANT PAYMENT CARD PROCESSING AGREEMENT

This Amendment # 3 to (i) that certain Banking Agreement Between the City Of Chandler ("CITY") and JP Morgan Chase ("CONTRACTOR") and (ii) that certain Select Merchant Payment Card Processing Agreement between CITY and First Data (formerly) Paymentech, LLC (as successor in interest to Paymentech, L.P.; "PAYMENTECH") for Banking Services dated September 29, 2005 and Amended on September 14, 2006 is entered into this 1st day of October, 2009.

WHEREAS, on September 29, 2005 the City awarded a contract to CONTRACTOR for the services of Banking Services for an initial three (3) year period with provisions to renew for up to two (2) additional successive terms of one year each.

NOW THEREFORE, the parties agree as follows:

1. Section 10.1, Term of the AGREEMENT is hereby amended to extend the AGREEMENT for a one-year period, October 1, 2009 through September 30, 2010.
2. Attached "Contractor Immigration Warranty" documents shall be incorporated as Exhibit A. **Section 18, Compliance with Applicable Laws** of Agreement is added with the following language,
  - 18.1. Pursuant to the provisions of A.R.S. § 41-4401, the Contractor hereby warrants to the City that the Contractor and each of its subcontractors ("Subcontractors") will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").
  - 18.2. A breach of the Contractor Immigration Warranty (Exhibit A) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.
  - 18.3. The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. The Contractor agrees to assist the City in the conduct of any such inspections.
  - 18.4. The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. The Contractor agrees to assist the City in performing any such random verifications.

- 18.5. The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.
- 18.6. In accordance with A.R.S. §35-393.06, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Iran.
- 18.7. In accordance with A.R.S. §35-391.06 the Contractor hereby certifies that the offeror does not have scrutinized business operations in Sudan.
- 3. 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 \_\_\_\_\_ day of \_\_\_\_\_, 2009.

CITY OF CHANDLER:

By: \_\_\_\_\_  
Mayor /designee

CONTRACTOR:

By: Catherine Hedman  
Title: Relationship Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney 

ATTEST: (If corporation)

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
City Clerk

WITNESS: (If individual or Partnership)

\_\_\_\_\_  
[SEAL]

**EXHIBIT A**

**Contractor Immigration Warranty  
To Be Completed by Contractor Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

<b>Contract Number: MS6-946-2174 Banking Services</b>		
<b>Name (as listed in the contract): First Data</b>		
<b>Street Name and Number: 270 Park Ave.</b>		
<b>City: New York</b>	<b>State: NY</b>	<b>Zip Code: 10017</b>

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees.

**Signature of Contractor (Employer) or Authorized Designee:**

Catherine Hudson  
**Printed Name:** Catherine Hudson  
**Title:** Relationship Manager  
**Date (month/day/year):** 7-10-09