

Council Meeting of
September 28, 2010

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

**SUBJECT: City Treasurer – Approve contract amendment for banking services.
Expenditure: \$ 104,000.00**

RECOMMENDATION

Recommendation of the City Treasurer that City Council approve a contract amendment with Bank of America (C2005-182) for banking services beginning September 1, 2010 through September 1, 2012 in the amount of \$ 104,000.00

FUNDING

Funding is available in the FY 2010-11 & FY 2011-12 City Treasurer's Operating Budgets.

BACKGROUND/ANALYSIS

An informal RFI was conducted with the two top contenders of our prior RFP process. Bank of America was able to provide lower rates for most of our frequently used products such as RDSOL Check Imaging Processing, Direct DDA Statements and Current Day Standard items, while staying competitive with the rest. The extension request is in compliance with our current contract agreement. We will perform a formal RFP before this extension period expires.

Respectfully submitted,



 Dana Cortez
City Treasurer

NOTED:



for
LeRoy J. Jackson
City Manager

Attachment:
A) First Amendment to Agreement (C2005-182)

FIRST AMENDMENT TO AGREEMENT (C2005-182)

This First Amendment to Agreement C2005-182 is made and entered into as of _____ by and between the CITY OF TORRANCE ("CITY"), a municipal corporation, acting by and through the City Treasurer, and BANK OF AMERICA, N.A., a National Association with its principal offices in Charlotte, North Carolina ("BANK").

RECITALS:

- A. CITY and BANK entered into an Agreement for Banking Services as of September 1, 2005, whereby BANK agreed to provide any or all of the services requested by the CITY in the RFP or proposed by the BANK in the Proposal.
- B. The Original Agreement was from September 1, 2005 through September 1, 2010.
- C. Both parties now wish to amend the Agreement to extend the term and to amend the fees.

AGREEMENT:

- 1. ARTICLE 1, entitled "TERM" is amended to read in its entirety as follows:

"The term of the Original Agreement shall commence upon the date that the City affixes its authorized signature to this Agreement, and shall continue for a period of five (5) years thereafter, unless otherwise terminated earlier in accordance with the provisions of the Original Agreement. This Amendment extends the term of the Original Agreement from September 1, 2010 through September 1, 2012."

- 2. ARTICLE 3.1, entitled "FEES" is amended to read in its entirety as follows:

"The fees for the services subject to the Original Agreement are listed in Exhibit B, attached hereto. The fees for the services subject to the Original Agreement as extended from September 1, 2010 through September 1, 2012 are listed in Exhibit B-1 of this Amendment. Each fee is listed on a cost per item of service basis and shall be charged only if and when the listed service is actually provided to the City in response to an authorized service request made by the City. Within twenty (20) days after the end of each calendar-year quarter, the Bank shall submit to the City an invoice that details the items and quantity of service provided in the quarter, together with the corresponding fees. The Bank agrees not to increase the fees for services set forth in Exhibit B during the first five (5) years of the term of this Agreement. After the initial term of the contract, extension options can be discussed. During any executed extensions, after the initial five-year period, potential increases would be discussed and agreed to by both parties. Any fee adjustments would be based upon the percentage increase,

if any, of the California Consumer Price Index (All Urban Consumers..Any such fee adjustment shall not be applicable to the City unless the Bank has provided the City with forty-five (45) days prior written notice of the pricing adjustment.”

3. ARTICLE 15, entitled “PROTECTION FROM THIRD PARTIES” is amended to read in its entirety as follows:

“The City agrees to indemnify, hold harmless and defend to the extent allowed by California law the Bank from and against any and all liabilities, claims, costs, expenses and damages of any nature (including legal expenses) arising out of or relating to disputes or legal actions by parties other than the City or the Bank concerning the banking services covered by this Agreement. This section does not apply to any cost or damage attributable to the Bank’s gross negligence or willful misconduct. Each Party’s obligations under this Article 15 shall survive termination of this Agreement.”

4. In all other respects, the Agreement entered into as of September 1, 2005 between CITY and BANK is ratified and reaffirmed and is in full force and effect.

CITY OF TORRANCE,
a Municipal Corporation

BANK OF AMERICA, NA,
a National Association with its principal
offices in Charlotte, North Carolina

Frank Scotto
Mayor

Lou Mastro
Senior Vice-President and
Senior Client Manager

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By _____
Deputy City Attorney

Attachment: Exhibit B-1: City of Torrance- Banking Service Fees (Proposed on 02-22-2010)

EXHIBIT B-1

CITY OF TORRANCE- BANKING SERVICE FEES (PROPOSED ON 02-22-2010)

CITY OF TORRANCE - Banking Service Fees (Proposed on 02-22-2010)

Service Description	Proposed Price
General Account Services	
Account Maintenance	\$ 9.000
ZBA-Depository + Master Maint	\$ 10.000
ZBA Subsidiary Account Maint	\$ 10.000
Additional Paper Statements	\$ 7.500
Debits Posted - Other	\$ 0.080
Credits Posted - Other	\$ 0.080
Direct DDA STMT Per Acct	\$ 5.000
Checks Paid Report - Original	\$ 7.500
Depository Services	
Banking Center Deposit-CA	\$ 1.000
QBD/Night Drop Deposit-CA	\$ 1.000
Curr/Coin Dep/\$100-BKG CTR-CA	\$ 0.060
Curr/Coin Dep/\$100-QBD-ND-CA	\$ 0.060
Vault Deposit-CA	\$ 0.500
Curr/Coin Dep/\$100-VLT-CA	\$ 0.060
Vault Deposit-Extended Hours-CA	\$ 0.500
Courier/Armored Car Services	\$ 174.180
Cash Letter/Item Proc Deposits	\$ 0.500
Cks Deposited-CA	\$ 0.090
Returns - Chargeback - CA	\$ 4.000
Deposit Correction-Cash	\$ 0.250
Image Cash Letter	
ICL Transmission Deposit	\$ 1.000
IRD Deposited Items	\$ 0.100
Image Deposited Items	\$ 0.050
Remote Deposit Service Online	
Scanner Maintenance	\$ 10.000
Med Volume Scanner Warranty	\$ 15.000
RDSOL Account Maintenance	\$ -
RDSOL Check Image Processing	\$ 0.100
RDSOL Item Storage	\$ -
Paper Disbursement Services	
General Checks Paid Truncated	\$ 0.040
Payee Positive Pay-Issue Match	\$ 0.030
Positive Pay Returns/Other	\$ 10.000
Direct Paid Item Inquiry	\$ 0.500
Direct Stop Pay Inquiry	\$ 0.500
Stop Pay Automated<=12months	\$ 4.000
Nonrelationship Cust CK Cashed	\$ -
NSF Items Paid/Returned	\$ 40.000
Postage	\$ 13.720
Image Archine 7-Years	\$ 0.030
CD-ROM Maintenance	\$ 5.000
CD-ROM Per Image	\$ 0.020
Image Maintenance	\$ 1.660
Image Retrieval BA Direct	\$ 0.250
CD-ROM Disk	\$ 5.000

CITY OF TORRANCE - Banking Service Fees (Proposed on 02-22-2010)

Service Description	Proposed Price
Paper Disb Reconciliation Services	
Full Recon With Positive Pay Maint	\$ 30.000
ARP On-line Statement Short Term	\$ -
Full Pos Pay Input Per Item	\$ 0.030
Full AR Issue with Subtotal Per Item	\$ 0.010
Check Issue Input - Manual	\$ 0.350
Check Issue Input-Transm Media	\$ 5.000
Positive Pay Image Requested	\$ -
Recon Transmission - Outbound	\$ 5.000
General ACH Services	
ACH Monthly Maintenance	\$ 25.000
Consumer On Us Credits	\$ 0.040
Consumer Off Us Credits	\$ 0.040
ACH Account Block	\$ 1.000
ACH Debit Received Item	\$ 0.040
ACH Credit Received Item	\$ 0.040
PC Tax Payment	\$ 1.250
ACH Input-Transmission	\$ 5.000
ACH Notification of Change	\$ 1.000
ACH Optional Reports Fax	\$ 5.000
ACH Optional Rpts-Electronic	\$ 1.000
ACH Standard Reports-Electronic	\$ 1.000
Wire & Other Funds Trnsf Svcs	
Electronic Wire Out - Domestic	\$ 5.000
Eletronic Wire Out - Book	\$ 3.000
Direct Account Transfer	\$ 1.000
Incoming Domestic Wire	\$ 4.000
Customer Maint Template Storage	\$ 1.000
Direct Wire Maintenance Fee	\$ 10.000
Information Services	
Direct Previous Day Acct Fee	\$ 25.000
Direct Previous Day Ext Item	\$ 0.100
Direct Previous Day Std Item	\$ 0.060
Direct Current Day Account Fee	\$ 25.000
Direct Current Day Maintenance	\$ 35.000
Direct Current Day Std. Item	\$ 0.100
Direct Previous Day Maint	\$ 25.000