

BOARD OF COUNTY COMMISSIONERS

DATE: August 19, 2014
AGENDA ITEM NO. 23

Consent Agenda

Regular Agenda

Public Hearing

[Handwritten Signature]
County Administrator's Signature:

Subject:

Third Amendment and Time Extension – Services, Banking
Contract No. 056-0483-P(RM)

Department:

Clerk of the Circuit Court / Purchasing

Staff Member Responsible:

Claretha Harris / Candy Mancuso

Recommended Action:

I RECOMMEND THE BOARD OF COUNTY COMMISSIONERS (BOARD) APPROVE THE THIRD AMENDMENT AND TIME EXTENSION FOR BANKING SERVICES WITH WELLS FARGO BANK, N.A. (WELLS FARGO) TAMPA, FLORIDA.

IT IS FURTHER RECOMMENDED THE CHAIRMAN SIGN THE THIRD AMENDMENT AND THE CLERK ATTEST.

Summary Explanation/Background:

The proposed Third Amendment to the Banking Services Contract is to request funds and a time extension for Wells Fargo to continue providing banking and treasury management services for the Board and the Clerk of the Circuit Court (Clerk).

The amendment incorporates recoupment charges into the contract. In 2011, Pinellas County (County) was advised that the Federal Deposit Insurance Corporation (FDIC) was going to be charging fees on all interest bearing accounts. In an effort to avoid such fees, the County's bank accounts were placed in non-interest bearing status. Effective April 1, 2013, the FDIC began charging Wells Fargo fees aka "Recoupment Charges" on non-interest bearing accounts as well. Wells Fargo advised the County that they can no longer absorb these charges and are passing the fees on to the County creating an increase (approximately \$20K per month) to the monthly fees the County pays for banking services. Various options were proposed to offset these costs, including moving back to interest bearing accounts. The best option providing the lowest net cost was selected resulting in Wells Fargo raising its Earnings Credit Rate (ECR) from 25 basis points (bps) to 30 bps on the non-interest bearing accounts and the County raising its balances on the non-interest bearing accounts.

In addition, a contract extension is requested to provide time for staff to evaluate proposals and negotiate a new banking services contract. The banking services Request for Proposal (RFP) was released April 30, 2014. The evaluation process has been protracted due to the extensive documents requiring verification which were submitted by the banks through the competitive RFP process. Wells Fargo has agreed to a five (5) month time extension revising the current term through January 31, 2015.

Previous actions regarding this contract in reverse chronologic order are:

- June 21, 2010 County Administrator approval Second Amendment and First Term Extension
- August 21, 2007 Board approval First Amendment
- August 22, 2006 Board approval Final Negotiated Contract
- July 11, 2006 Board approval Ranking of Firms

Fiscal Impact/Cost/Revenue Summary:

Estimated total expenditure for the Third Amendment and Time Extension: \$242,323.00.

Based on the estimated expense using the current fee structure through September 1, 2014 and the extension period through January 31, 2015, the estimated expenditure over this term (17 months) for banking services is \$581,578.00.

Funding is provided through General, Enterprise, Special Revenue, Internal Service and Capital Funds.

Exhibits/Attachments:

Third Amendment and Extension Agreement

**THIRD AMENDMENT AND EXTENSION TO THE AGREEMENT FOR MASTER
BANKING SERVICES**

This **THIRD AMENDMENT TO AGREEMENT FOR BANKING SERVICES** (the "Amendment") is made and entered into this 14 day of August , 2014 by and between Pinellas County, a political subdivision of the State of Florida (the "County"), and Wells Fargo Bank, National Association, successor to Wachovia Bank National Association, (the "Bank/Contractor"), and shall constitute a binding Contract between the parties.

WITNESSETH:

WHEREAS, an Agreement for Banking Services by and between the County and the Bank was executed on September 1, 2006 for a term of Four (4) years with one additional forty-eight month term extension under the same terms and conditions: and

WHEREAS, the Agreement was amended on August 23, 2007 (First Amendment) to add additional services; and

WHEREAS, the Agreement was amended on June 21, 2010 (Second Amendment) to change the contractor's name from Wachovia Bank, N.A. to Wells Fargo Bank, N.A. and to exercise the forty-eight month term extension to September 1, 2014; and

WHEREAS, the County and the Bank now wish to modify the Agreement to provide for an extension in the term;

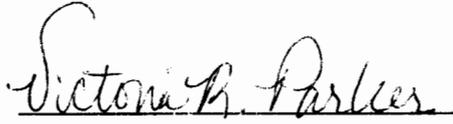
NOW, THEREFORE, in consideration of the above and other good and valuable consideration, the parties agree as follows:

Term and Termination – Effective with the execution of this Amendment, the term of the Contract is extended for the period from September 1, 2014 until January 31, 2015.

Except as modified herein, all provisions and conditions of the original Agreement and its two subsequent amendments remain in full force and effect.

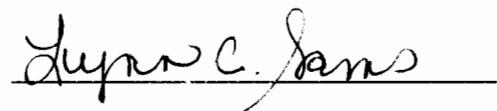
IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year last written above.

Wells Fargo Bank, N.A.


Senior Vice President

Victoria B. Parker
Printed Name

Attest:


Lynn C. Sams / Relationship Associate
Printed Name/Title

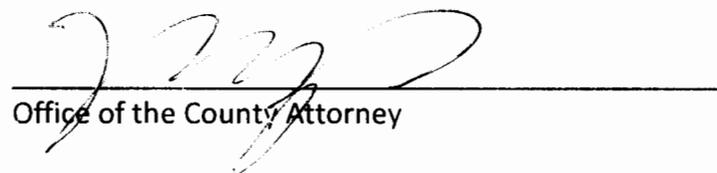
PINELLAS COUNTY, FLORIDA
BY ~~THE~~ BOARD
OF COUNTY COMMISSIONERS

BY: _____
CHAIRMAN DATE

Attest:
KEN BURKE, CLERK OF THE CIRCUIT COURT

Printed Name/Title

APPROVED AS TO FORM:


Office of the County Attorney