

M Management Committee

Meeting date: November 28, 2012

ADVISORY INFORMATION

Date: November 15, 2012
Subject: Affirmation of 2013 Transaction-Based Financial Contracts
District(s), Member(s): All
Policy/Legal Reference:
Staff Prepared/Presented: Allen Hoppe, Senior Manager, Treasury
Division/Department: Fiscal Services/Treasury

Proposed Action/Motion

That the Metropolitan Council authorize the Regional Administrator to amend the terms of the following volume-based financial contracts, as needed, so as to provide continued service through December 31, 2013:

1. Wells Fargo and US Bank - General banking services
2. Elavon - Credit card processing, gateway, and managed payment services
3. Bank of America (BofA) - Purchasing card services
4. Wells Fargo and US Bank - Custodian and securities lending services
5. US Bank – Trustee Services

An RFP for general banking services was completed in 2012, Council staff is currently negotiating a contract for these services with Wells Fargo. All of the other services in the above listing are due for issuance of RFPs in 2013.

Background

The Council has a number of financial processing needs which are served by contracts whose total dollar cost varies with changes in transaction volumes; as transaction volumes increase for a contract, the cost of the contract increases proportionately. Establishing fixed rates “per transaction” rather than a fixed dollar value for the contract, assures continuous services throughout the contract term.

Annually, the management committee is provided opportunity to review transaction volume activity.

<i>Contract</i>	<i>Description</i>	<i>Volume (annual)</i>	<i>Est. 2013 Expense</i>
General Banking	Other Bank Services	Multiple Types	\$ 90,000
	Coin & Currency	Multiple Types	80,000
Merchant Banking	Credit Card Transactions	1,300,000	500,000
Purchasing Card	P-Card Transactions	13,000	<40,000>
Custody & Sec Lend	Investments Custodian	1,000,000,000	35,000
Trustee Services	VEBA HRA, etc.	1,200,000	2,000

Funding

The above actions result in no changes to the funding channels. While amounts have been estimated and budgeted where expenses exist, the unpredictable volume of transactions is the primary determinant of total expenses.

Known Support / Opposition

No known opposition.