AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Amendment to Purchasing Card Agreement; Public Sec

Action Requested: County Manager Signature

Parties to the Agreement: UMB Bank, Gunnison County

Term Begins: 1/1/18 **Term Ends:** **Grant Contract #:**

Summary:

Amendment to Purchasing Card Agreement , increased rebate

Fiscal Impact: TBD

Submitted by: Linda Nienhuesr **Submitter's Email Address:** lnienhueser@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ◉ Required ○ Not Required

Comments:
ok db 12/1/17

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 12/1/2017 Certificate of Insurance Required Yes ○ No ◉

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 12/1/2017

◉ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted: 0

Agenda Date: 12/5/2017

Revised April 2015

Amendment to Purchasing Card Agreement

Between

Gunnison County Colorado, a participant in the
Public Sector Purchasing Card Consolidated Pricing Group for Greater Colorado
and UMB Bank, n.a.

Background. UMB Bank, n.a. ("UMB") has established purchasing card programs with various school districts, counties, cities and other public institutions in the State of Colorado, and has established a Colorado public sector purchasing card consolidated pricing program (the "Program") in which participating Colorado entities ("Participants") can receive the benefit of combined purchasing card program volumes to receive higher rebates than Participants would otherwise receive based on each Participant's separate purchasing card volume.

Based on UMB's recent review of current Participant rebate levels, UMB is updating the Program's combined entity volume tiers to reflect the Program growth over time, and to increase the rebates applicable to particular levels of purchasing card volumes that may be earned by Participants under the Program. UMB has also added a feature that will pay Participants an individual rebate bonus based on the volume of the Participant's own Card volume. Finally, UMB has updated the rebate schedule to include more recent Card Association policy initiatives that create certain lower interchange levels for certain Qualified Large Ticket transactions, which lower levels will be reflected in rebate payments to Participants.

The Participant's execution of this Amendment will constitute the Participant's agreement to change its current contract with UMB to substitute the rebate schedule set forth as an exhibit to this Amendment for the Participant's current rebate schedule set forth in the Participant's purchasing card contract with UMB.

Amendment

This AMENDMENT ("Amendment") is made to the Purchasing Card Agreement between Gunnison County Colorado, a Colorado public entity (the "Participant"), and UMB BANK, n.a., a national banking association ("UMB"). This Amendment will be effective as of January 1, 2017 (the "Effective Date"), and supersedes those portions of the Participant's purchasing card agreement with UMB that are inconsistent with this Amendment.

In consideration of the foregoing, including the Background set forth above, UMB and the Participant hereby agree as follows.

As of the Effective Date set forth above, the attached Amended Revenue Sharing Exhibit is hereby effective under the Participant's purchasing card agreement with UMB.

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Amendment to Purchasing Card Agreement (continued)

UMB:	**PARTICIPANT:**
UMB BANK, n.a.	**Gunnison County Colorado**
By:_____ Shannon Stanfield Assistant Vice President	By:_____ Name: _____ Title: _____
Date signed: _____	Date signed: _____

Amended Revenue Sharing Exhibit

UMB Public Sector Purchasing Card Consolidated Pricing Group for Greater Colorado

Effective January 1, 2017

REVENUE SHARING OR REBATE PROGRAM

UMB Bank pays a rebate rate on qualified sales volume (purchases, less credits and refunds), payable on an annual basis, without reserves or minimum volume guarantees, based on the total of all qualified sales of the participants in the UMB Bank Public Sector Purchasing Card Consolidated Pricing Group. Payment of a rebate may be affected by a Participant's late payments.

The following rebate levels are effective as of January 1, 2017.

For all qualified sales volumes (purchases, less credits and refunds), the rates of rebate are listed in the table below. The left side of the table shows the rebate level applicable to combined Program qualified sales volume, and paid against the individual Participant's volume. The right side of the table shows individual Participant program bonus rebates (in addition to the combined Program volume rebate levels) that can be earned based on each Participant's individual Program qualified sales volume. There is no minimum volume level to qualify for a rebate. Rebates may be diminished to take into account Qualified Large Ticket Transactions. See the discussion below.

Tiers				Program Size bonus		
Volume			Rebate Level	>$1MM	>$5MM	>10MM
$0	to	$24,999,999	1.18%	0.05%	0.08%	0.10%
$25,000,000	to	$74,999,999	1.25%	0.05%	0.08%	0.10%
$75,000,000	to	$124,999,999	1.35%	0.05%	0.08%	0.10%
$125,000,000	to	$174,999,999	1.38%	0.05%	0.08%	0.10%
$175,000,000	to	$249,999,999	1.40%	0.05%	0.08%	0.10%
$250,000,000	to	$349,999,999	1.42%	0.05%	0.08%	0.10%
$350,000,000	to	$399,999,999	1.45%	0.05%	0.08%	0.10%
$400,000,000	to	$449,999,999	1.48%	0.05%	0.08%	0.10%
$450,000,000	to	$499,999,999	1.50%	0.05%	0.08%	0.10%
$500,000,000	and above		1.55%	0.05%	0.08%	0.10%

For example, assume for an annual period the combined Program qualified sales volume was $142,000,000 and an individual Participant's qualified sales volume for the same period was $5,500,000. Assume that there were no Qualified Large Ticket Transactions. The individual Participant's rebate would be calculated as follows: $5,500,000 x 1.38% = $75,900 (the Participant's rebate at the combined volume rate). The Participant's volume bonus would be $5,500,000 x .08% = $4,400. Total rebate is $75,900 + $4,400 = $80,300.

Qualified Large Ticket Transactions

Qualified Large Ticket Transactions will be deducted from the individual Participant's qualified sales volume for the purpose of calculating the Participant's rebate on combined volume and the Participant's volume bonus for an annual period.

The term "Qualified Large Ticket Transaction" means certain transactions, qualified and determined by Visa, in Visa's sole and absolute discretion, which are subject to non-standard interchange rates. Under the current Visa Large Ticket Transaction rates, individual Participants will receive 50 basis points (.50%) on their Net Purchase Volume of Qualified Large Ticket Transactions, that is, the total volume of Qualified Large Ticket Transactions, minus credits and cash advances (if applicable), for all Participant's Qualified Large Ticket Transactions in an annual period.

By way of example, assume the combined Program qualified sales volume for an annual period was $142,000,000, with the individual Participant's qualified sales volume for the same period at $5,500,000, of which $500,000 was Qualified Large Ticket Transactions.

The individual Participant's rebate would be calculated as follows: The Large Ticket portion of the rebate is calculated as follows: $500,000 x 0.50% = $2,500. The regular rebate based on the total qualified sales volume is calculated as follows: $5,500,000 in total qualified sales volume minus $500,000 (the Participant's qualified large ticket transactions) equals $5,000,000. That amount times 1.38% = $69,000, which is the Participant's rebate at the combined volume rate, excluding large ticket transactions. The Participant's individual volume bonus is $5,000,000 times 0.08%, or $4,000. Total rebate equals $2,500 plus $69,000 plus $4,000, or $75,500.

* * * *

The above rebates apply unless substantial changes are imposed in applicable bankcard interchange reimbursement rates set by Visa, or if Visa reduces interchange with respect to transactions involving merchants that participate in a Visa Partner Pricing Program or introduces other less well compensated incentive programs that reduce the volume of transactions that are compensated at standard interchange levels. Under those conditions, UMB reserves the right to modify the rebate formulas.