

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: COMMUNITY AND HUMAN DEVELOPMENT

AGENDA DATE: AUGUST 14, 2007

CONTACT PERSON/PHONE: WILLIAM LILLY - 541-4241 ; Terrence Freiburg, Purchasing Mgr.,
ext. 4313

DISTRICT(S) AFFECTED: ALL

SUBJECT:

LOAN SERVICING FOR CDBG REVOLVING LOAN AND HOME PROGRAM LOANS

BACKGROUND / DISCUSSION:

On July 15, 2003, the City Council approved an award to Amerinational Community Services, Inc. of Downey, CA. to provide loan servicing for loans under the City's CDBG Revolving Loan and HOME Loan programs. The contract was a thirty-six (36) month contract with the City's option to extend the contract for two (2) additional one (1) year terms. The agreement has been in place for four (4) years and Community and Human Development staff recommends that the City Council approve extension of the contract for the remaining one (1) year option period. Currently there are approximately 1800 loans subject to the agreement. The estimated annual cost of the agreement is approximately \$154,900. The estimated revenue from the accounts is \$2,500,000 annually.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

On July 15, 2003, the City Council approved an award to Amerinational Community Services, Inc. of Downey, CA. to provide loan servicing for loans under the City's CDBG Revolving Loan and HOME Loan programs. The contract was a thirty-six (36) month contract with the City's option to extend the contract for two (2) additional one (1) year terms.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

\$154,900 -G710RLFAD08-Fund 09935 (CDBG Revolving Loan Fund) and G7108HM-09761 (HOME)

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____
(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA: _____

CITY MANAGER: _____

DATE: _____

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a contract amendment to Contract 2003-118, as amended, by and between the City and AmeriNational Community Services, Inc. entered into August 3, 2003, a best value procurement to render loan portfolio management services in connection with loan programs implemented by City by and through its Community and Human Development Department for a thirty six (36) month term with the City's option to extend the contract for two (2) additional one (1) year term, of which the City extended for one additional year, September 1, 2006 to August 31, 2007, and now desires to: (1) extend the Contract for the second one (1) year option term, effective September 1, 2007; (2) delete from the contract the Delinquency and Default Follow-Up Management Services from the scope of services, the implementation scheme for said services, and the payment of the \$1.58 fee per loan per month assessed on all amortized loans in the City's loan portfolio for said services; and (3) impose certain loan service release obligations on the Contractor.

The estimated total award amount of this Contract extension is \$154,900 (\$2,500 estimated one time set up fee per new loan account and \$152,400 estimated loan servicing annually). Funding is available from the following sources: G710RLFAD08-Fund 09935 (CDBG Revolving Loan Fund) and G7108HM-09761 (HOME EN).

ADOPTED this ____ day of _____, 2007.

THE CITY OF EL PASO:

John F. Cook,
Mayor

ATTEST:

Richarda Duffy Momsen,
City Clerk

APPROVED AS TO FORM:


Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



William L. Lilly, Director
Community and Human Development

**SECOND AMENDMENT TO CONTRACT 2003-118 BETWEEN CITY AND
AMERINATIONAL COMMUNITY SERVICES, INC.**

THIS SECOND AMENDMENT is entered into as of the ____ day of _____, 2007, by and between the City of El Paso ("City"), a home-rule municipal corporation, and AmeriNational Community Services, Inc., ("Contractor"), a corporation organized and existing under the laws of the State of Minnesota.

W I T N E S S E T H

WHEREAS, City accepted Contractor's offer in response to the City's Solicitation Number 2003-118 for Administration of HUD Loans for the Community and Human Development Department by Notice of Award dated August 8, 2003, whereby City and Contractor entered into Contract 2003-118, comprised of the Solicitation, Contractor's Offer, and the Purchase Order ("Contract") to render loan portfolio management services in connection with loan programs implemented by City by and through its Community and Human Development Department; and

WHEREAS, the Contract, a best value procurement, was for a term of thirty-six (36) months with the City's option to extend the contract for two (2) additional one (1) year terms, of which City on August 25, 2005, exercised its option to extend for one additional year, September 1, 2006 through August 31, 2007; and

WHEREAS, on April 25, 2006, by resolution the City Council of the City of El Paso authorized the City Manager to sign a contract amendment with Contractor to provide Delinquency and Default Follow-Up Management Services at an additional cost of \$1.58 per loan per month assessed on all amortized loans in the City's loan portfolio ("First Amendment to Contract 2003-118"); and

WHEREAS, City has determined that it desires to exercise its option to extend the Contract, but desires to incorporate certain service release obligations; and

WHEREAS, City has also determined that the City no longer desires the additional services or modifications provided for in the parties' First Amendment to Contract 2003-118.

NOW, THEREFORE, the parties mutually agree to amend the Contract entered into August 8, 2003, and amended on April 21, 2006, only as follows:

1. **Scope of Services:** Sections 1, 2, and 3 of the First Amendment to Contract 2003-118 shall be and are hereby deleted in their entirety, thereby removing the Delinquency and Default Follow-Up Management Services from the scope of services, removing the implementation scheme for said services, and removing the additional payment of the \$1.58 fee per loan per month assessed on all amortized loans in the City's loan portfolio for said services.

2. **Term of Contract:** City and Contractor hereby mutually agree to extend the Contract, for an additional one (1) year period, effective September 1, 2007, subject to the parties' rights to terminate the Contract, as provided in Solicitation Number 2003-118, **SECTION C, CONTRACT CLAUSES**, paragraphs 8 through 10.

3. **Service Release:** At the City's request, loans delinquent 90+ days and loans with small balances (\$200 or less) will be returned to the City for internal servicing. Upon notification, Contractor will release loans as follows:
 - a) Where notification is received during the 1st -15th day of the month, Contractor will release the loan on the first business day of the following month; and
 - b) Where notification is received during the 16th day to the end of the month, Contractor will release the loan on the first business day of the second following month.

4. Except as herein amended, the Contract shall remain in full force and effect, and shall be extended in accordance with Section 2 of this Second Amendment.

IN WITNESS THEREOF, City and Contractor have executed this Second Amendment as of the date first hereinabove set forth.

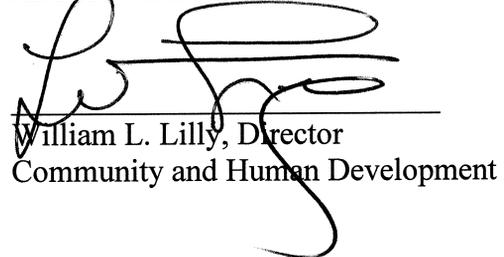
CITY OF EL PASO:

 Joyce A. Wilson
 City Manager

APPROVED AS TO FORM:


 Marie A. Taylor,
 Assistant City Attorney

APPROVED AS TO CONTENT:


 William L. Lilly, Director
 Community and Human Development

AMERINATIONAL COMMUNITY SERVICES, INC.:

BY: _____
 Adrienne L. Thorson, President

DATE: _____

BY: _____
 Michael Torres, EVP, COO

DATE: _____