

# City Depository Contract

Finance, Audit and Accountability Committee

February 26, 2007



# Purpose

## Provide information on Depository Contract

- Background
- Options
- Timetables
- Potential Request For Applications
  - Proposed new contract terms
  - Evaluation criteria

# Background

- Current two year contract with Bank of America expires July 31, 2007; two year extension to July 31, 2009 available
- Bank of America was the only viable application in 2005 RFA
- An application from Chase (Bank One at the time) was received after the deadline. It was returned unopened.

# Services Covered

- **General Banking Services**
  - Deposits, disbursements, securities safekeeping
- **Lockbox Services**
  - Automated processing of Water receipts
- **Credit Card Services**
  - Visa/Mastercard, AmEx, Discover
- **Escrow/Trust Services**
  - Minimal

# Options

- Exercise option for a two year extension with Bank of America
- Proceed with RFA for Depository / Banking services

# Considerations

- Bank of America provides quality service
- Changing to new systems interfaces = major effort for CIS and other departments
  - Lockbox
  - Bank reporting and reconciliation
  - Approximately 700 hours for implementation
- **Divert Pay 1 Resources**
  - Personnel focused on Pay 1 will also need to work on Bank implementation

# Considerations (cont'd.)

- Current contract was awarded after review of only one viable application
- In 2005, Councilmembers expressed concern regarding an extension without the ability to consider an application from Chase

# Proposed Timetable

## For a Contract Extension with Bank of America

- 2/26: Recommendation from Fin/Audit Comm
- 3/26 Extension awarded by City Council
- 8/1 Two year extension begins



# Proposed Timetable For a New RFA Process

- 2/22: First notice in newspaper  
(to preserve the option for a new RFA process)
- 2/26: Recommendation from Fin/Audit Comm
- 3/2: Conference for prospective applicants
- 3/22: Application deadline
- 4/9: Recommendation to Fin/Audit Comm
- 4/25: Contract awarded by City Council
- 8/1: New contract begins

# Proposed New Contract Terms

- Three years beginning Aug 1, 2007
- Option for two year extension
  - Allows opportunity to utilize bank services after intensive implementation effort
  - 90 day termination for any reason
  - Immediate termination for cause

# Proposed Evaluation Criteria

- 40% Cost of services
- 25% Quality of services and ability to meet City's specifications
- 25% Experience of staff and institution in providing banking / financial services to public entities of similar size
- 10% Commitment to Affirmative Action and Community Reinvestment Act

# Options

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