



# GENERAL BANKING SERVICES

City Council Meeting  
September 4, 2018

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# CURRENT

- The City contracts for several financial services relative to Comprehensive Banking Services
- These services include general banking services, institutional custody, merchant card processing, and procurement cards
- Since 2002, the City has contracted with Wells Fargo Bank for general banking services

# PROPOSAL PROCESS

- A Request for Proposals (RFP) was issued on October 31, 2017 for Comprehensive Banking Services
- The City engaged the services of PFM Asset Management, LLC, to work with staff to develop the RFP and evaluate the proposals
- Significant outreach was made to local financial institutions to ensure they knew to submit a proposal
- A total of eight proposals were received

# GENERAL BANKING SERVICES

- Five proposals were received for General Banking services
- One proposal would be considered a local bank
  - This proposal was scored the lowest for price and services
- JP Morgan Chase submitted a proposal that scored the highest in both the qualitative and quantitative evaluation
- JP Morgan Chase demonstrated a robust online platform, and proposed the lowest fees of all vendors

# FISCAL ANALYSIS

- General Banking fees under this contract will be approximately \$49,700 annually, or \$250,000 over the five-year contract term
- This represents a savings of \$28,000 per year (\$140,000 over the contract term) to the General Fund
- JP Morgan Chase will also provide a \$60,000 transition credit to offset fees incurred during the transition between the existing banking system to the JP Morgan Chase banking system

# RECOMMENDATION

- It is recommended by the Finance Department that the Council, by resolution, approve a five-year professional services agreement (PSA) with JP Morgan Chase N.A., San Francisco, California, for general banking services, in the amount of not to exceed \$300,000.

QUESTIONS?