

# Agenda Report

June 24, 2002

TO: City Council  
Through Finance Committee

FROM: City Manager

SUBJECT: Extension of the City's Banking Services Agreement with Bank of America

**RECOMMENDATION:**

It is recommended that the City Council authorize the City Manager to extend the City's Banking Services Agreement with Bank of America for a period of five years. Competitive bidding is not required pursuant to City Charter Section 1002(F), contracts for professional or unique services.

It is further recommended that the City Council grant the proposed contract an exemption from the Competitive selection process of the Competitive Bidding and Purchasing Ordinance, pursuant to P.M.C. Section 4.08.049(B), contracts for which the City's best interests are served.

**BACKGROUND:**

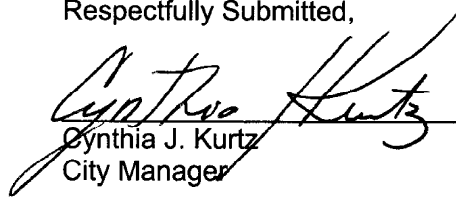
The City of Pasadena maintains depository and financing relationships with several banks in the City of Pasadena. These banks include United California Bank, Citizens Bank, City National Bank, Family Savings Bank, and Community Bank. The City's main banking relationship for cash management services, however, is with Bank of America ("BofA") serviced by BofA's Government Services Operations unit in downtown Los Angeles. Bank of America provides the City General account services, depository services, paper distribution services, electronic reconciliation and data maintenance services, general automated clearing house debit and credit services, wire and other funds transfer services, online reporting and information services, international wire services, debit/credit card processing services and purchasing card program.

The City recently negotiated with BofA a reduction in fees for certain transaction and cash management services provided to the City and an agreement to lock in those fees for a period of five years. If approved by the Council, BofA has agreed to reduce the banking fees retroactive to April 1, 2002.


**FISCAL IMPACT:**

The annual cost of the City's banking services is expected to be approximately \$100,000. The negotiated fee structure with Bank of America will potentially generate an overall 25% savings in banking fees to the City or approximately \$25,000 per year and will guarantee no increases in fees for a period of five years.

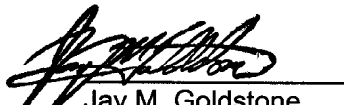
Respectfully Submitted,

  
Cynthia J. Kurtz  
City Manager

Prepared by:

  
Vic Eganian  
City Treasurer

Approved by:

  
Jay M. Goldstone  
Director of Finance