



Agenda Report

June 11, 2018

TO: Honorable Mayor and City Council
Successor Agency to the Pasadena Community Development
Commission

THROUGH: Finance Committee

FROM: Department of Finance

**SUBJECT: AUTHORIZATION TO ENTER INTO CONTRACT FOR BANKING
SERVICES**

RECOMMENDATION:

It is recommended that the City Council and the Successor Agency to the Pasadena Community Development Commission:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Authorize the City Manager to enter into contract, as the result of a competitive selection bid process, as specified by Section 4.08.047 of the Pasadena Municipal Code, with Bank of America for banking services in an amount not to exceed \$659,260 which includes \$470,900 for a five-year term; and two, one-year extensions of \$94,180 each subject to approval by City Manager; and
3. Authorize the City Manager or Director of Finance to execute all related bank documents and necessary agreements.

BACKGROUND:

An estimated \$1.6 billion flows through the City's bank account annually. This amount includes all revenues, cash inflows and outflows into the City's bank account through various transactions and payments the City makes in the form of wires, checks, and electronic payments. The attached *Exhibit A* shows the volume and types of transactions that occur annually in the City's bank account.

The City of Pasadena has maintained a banking relationship with Bank of America since the 1990's. Bank of America has provided full service banking to the City including general account services, online reporting, full account reconciliation, depository services, paper disbursement services, payee positive pay, online wires and Automated Clearing House (ACH) services, a purchasing card program, electronic payment services, and liquidity facilities. The current contract with Bank of America expires on June 30, 2018.

On March 5, 2018, a Request for Proposals (RFP) seeking services of qualified financial institutions for banking services for general, payroll, and other associated City accounts was posted on Planet Bids. There were 1,652 vendors who were notified; 23 prospective financial institutions downloaded the RFP, including one local vendor, and 5 vendors submitted proposals. A review committee comprised of City staff evaluated the proposals based on the criteria below (as set forth in the RFP).

Criteria:	Weight:
Proposed Solution	30%
Experience	30%
Cost Proposal	30%
Local Pasadena Business	5%
Small or Micro Business	5%

Based on the results of the evaluation, Bank of America met all the required specifications in the RFP and received the highest final score while offering the lowest cost; therefore Bank of America is staff's recommendation for award of the proposed contract.

Proposers:	Final Scores:
Bank of America	875
JP Morgan/Chase	697
Wells Fargo Bank	675
Bank of the West	615
MUFG Union Bank	538

ENVIRONMENTAL ANALYSIS:

The proposed actions are governmental fiscal activities that would not cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since the action is not a project to CEQA, no environmental document is required.

FISCAL IMPACT:

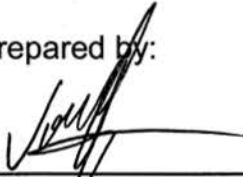
The annual cost of this contract is estimated at \$94,180 based on recent annual transaction volume. Because the City operates a pooled cash management program, banking services fees are normally allocated to the funds utilizing the service. Departments have already included these costs in their respective fiscal year 2019 operating budget.

Respectfully submitted,



MATTHEW E. HAWKESWORTH
Director of Finance
Successor Agency Finance Officer

Prepared by:



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Department of Finance

Approved by:



STEVE MERMELL
City Manager
Successor Agency Executive Director

Attachments: (2)

- 1) Attachment A - City's Annual Volume and Transaction Types
- 2) Attachment B - Taxpayer Protection Amendment