



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** November 9, 2020
SUBJECT: Award RFP 19-007 Banking Depository Service Contract to JPMorgan Chase Bank, N.A. and authorize the City Manager to execute the associated agreement.
PRESENTER: Mark C. Mills, Director of Finance

SUMMARY:

The City Council is being asked to award a service contract for Banking Depository Services, to JPMorgan Chase Bank, N.A. ("JPMC") and authorize the City Manager to execute the associated agreement.

GENERAL DESCRIPTION:

The previous contract for banking depository services was awarded to JPMC by the City Council in 2014. The agreement was a 3-year agreement with two optional 1-year renewals; a total of five years.

The city issued Request for Proposal ("RFP") 19-007 Banking Services, Safekeeping, and Lockbox Services. Notice of the city's interest to receive proposals was advertised in accordance with state statute. It was also posted on the city's website and Public Purchase; a website utilized by the city to post and receive RFPs. Proposal specifications were viewed by multiple entities. The city received proposals from the following:

- JPMC;
- Frost Bank ("Frost"); and
- American National Bank of Texas.

A Proposal Review Committee was formed consisting of the city's five-member Investment Committee, a representative from Utility Billing, and a non-voting member from Purchasing. The Investment Committee was selected to serve as it is responsible for overseeing the city's financial and investment relationships, including banking services.

The proposals were evaluated based on the following criteria:

1. Ability of the proposer to provide the depository services described in the Request for Proposal (RFP);
2. Cost of proposed services;



3. Experience and success in providing depository services to large municipal governments in Texas; and
4. Completeness of the form and submission of the eligible proposals.

The Proposal Review Committee scored JPMC the highest of the three eligible proposals for the bank depository portion of the RFP and voted unanimously to recommend award of bank depository services to JPMC. Frost was ranked highest for the safekeeping and lockbox portion of the RFP. The safekeeping and lockbox services portion will be awarded as part of a future agenda item.

The cost of depository services varies each month as it is based on per unit pricing applied against the city's monthly volume for particular services rendered. During the life of the previous contract with JPMC, the service charges ranged between \$42,000 and \$48,000 annually. While a few of the per unit fees proposed by JPMC increased, the majority of the fees proposed remained the same. In addition, JPMC has agreed to waive balance-based charges. In the last two years, balance-based charges have ranged from roughly \$700 to \$1,000 per month. Despite the increase in a few fees as noted above, the waiver of the balance-based charges is expected to generate a net decrease in the city's monthly service charges.

If awarded, the contract term will be for three years, with two optional 1-year renewals. The effective date of the agreement will be October 1, 2019 to be consistent with the RFP. The initial term of the agreement will expire September 30, 2022.

RECOMMENDATION:

Award RFP 19-007 Banking Depository Service Contract to JPMorgan Chase Bank, N.A. and authorize the City Manager to execute the associated agreement.