

BUDGET AND FINANCE COMMITTEE REPORT relative to approval for the Office of Finance (Finance) to execute a Fifth Amendment to Contract Nos. C-114826 and C-114564 with Wells Fargo Bank for City general banking services.

Recommendation for Council action:

AUTHORIZE the Director of Finance, or designee, to execute amendments to Contract Nos. C-114826 and C-114564 with Wells Fargo Bank for banking services, to extend the terms for an additional two years in one one-year increment and two six-month increments so long as all other terms and conditions remain the same, subject to final approval as to form and legality by the City Attorney.

Fiscal Impact Statement: Finance reports that there is no fiscal impact to the General Fund. Funding was appropriated in the Finance's Fiscal Year 2018-19 Bank Service Fees Account (Department 39, Account No. 4040) and is available to pay for the services described in these amendments. Finance reviewed the proposed Fee schedule and can maintain its bank service fees within the appropriation expenditure limits and will monitor the monthly service charges and report back to Council through the Financial Status Reports on any significant changes in the expenditures from Account No. 4040.

Community Impact Statement: None submitted.

TIME LIMIT FILE - NOVEMBER 16, 2018

(LAST DAY FOR COUNCIL ACTION - NOVEMBER 16, 2018)

SUMMARY

At its regular meeting held on September 24, 2018, the Budget and Finance Committee considered a Finance report dated September 14, 2018 relative to approval for Finance to execute a Fifth Amendment to Contract Nos. C-114826 and C-114564 with Wells Fargo Bank to extend the terms for an additional two years in one one-year increment and two six-month increments for City general banking services. Finance reports that those services include maintaining over 800 depository accounts for all City departments, processing Electronic Funds Transfer transactions, providing direct deposit, payroll tax processing, lockbox, and cash vault services.

Finance reports that it issued an Request for Proposal (RFP) for general banking services on January 5, 2018. Responses to the RFP were received from eight financial institutions and are currently being reviewed by an evaluation committee. Although Wells Fargo did not submit a response, Finance advises that Wells Fargo has reaffirmed its commitment to provide general banking services until an agreement can be reached with a new bank. The proposed Fifth Amendment will facilitate this.

During discussion of this item, a representative of the Office of Finance addressed the Committee and responded to related questions. One of the questions posed by the Committee concerned Finance's request for two six-month extensions to the Contract with Wells Fargo after

the first year. The Finance representative reported that the request is due to the timeline for completion of the RFP as detailed in the Finance report. Finance anticipates a contact with a new bank by the end of Fiscal Year 2018-19 (June 30, 2019) however, it may not be possible to migrate all 800 bank accounts to a new bank by that time. The extensions will allow continued service with the current provider until the migration would be complete.

After consideration, and after providing an opportunity for public comment, the Committee approved the recommendation(s) in the Finance report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE



| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| KREKORIAN: | YES |
| ENGLANDER: | YES |
| KORETZ: | YES |
| BLUMENFIELD: | YES |
| BONIN: | YES |

REW 9/25/18 FILE NO. 14-0806

-NOT OFFICIAL UNTIL COUNCIL ACTS-