

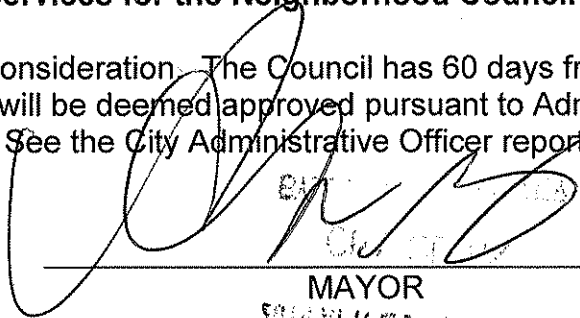
0150-10178-0000

TRANSMITTAL

TO The City Council	DATE APR 29 2014	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT Various	

Professional Services Contract Between the City and Union Bank for Banking Services for the Neighborhood Council Checking Accounts

Transmitted for your consideration. The Council has 60 days from the date of the receipt to act, otherwise the contract will be deemed approved pursuant to Administrative Code Section 10.5(a). See the City Administrative Officer report attached.



MAYOR

(Ana Guerrero)

APR 29 2014 3:10

MAS:LC:08140137t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 25, 2014

CAO File No. 0150-10178-0000

Council File No.

Council District: Various

To: The Mayor

From: Miguel A. Santana, City Administrative Officer



Reference: Letter to the Mayor from the General Manager of the Department of Neighborhood and Empowerment dated March 11, 2014; referred by the Mayor on March 13, 2014

Subject: **PROFESSIONAL SERVICES CONTRACT BETWEEN THE CITY OF LOS ANGELES AND UNION BANK FOR PROVISION OF BANKING SERVICES FOR THE NEIGHBORHOOD COUNCIL CHECKING ACCOUNT**

SUMMARY

On March 15, 2013, the Department of Neighborhood and Empowerment (DONE) transmitted a report regarding the Neighborhood Council Funding Program to the Los Angeles City Council (Council) (C.F. 11-1020-S1). The report included a proposal to create a new checking account system to replace the current Neighborhood Council Funding Program. The Council adopted the report and requested the City Attorney to prepare and present an ordinance to implement a system of checking accounts for the Neighborhood Councils (NCs). In May 2013, the City Attorney transmitted the requested ordinance to amend Los Angeles Administrative Code (LAAC) Section 22.815 to implement a checking account program for NCs. In October 2013, the City Attorney transmitted a revised ordinance to amend LAAC Section 22.815 to clarify that the checking accounts may be established at any financial institution capable of the features deemed necessary by DONE to properly administer the new checking account system.

DONE seeks to piggyback upon a contract between the Housing Authority of the City of Los Angeles (HACLA) and Union Bank for banking services. HACLA released a Request for Proposal (RFP) for Banking Services and awarded a contract to Union Bank and Bank of America for the provision of the services outlined in the RFP. DONE and Office of Finance collaboratively negotiated the proposed contract with Union Bank for the establishment of individual checking accounts for each certified NC.

The term of the contract will be for one year from the date of execution through March 31, 2015, with three one-year options to renew. The contract ceiling for the term of the contract, including all options to renew, is a cumulative amount of \$40,000. Union Bank shall provide the checking account and the services outlined under the scope of work free of charge. However, a fee of \$3.00 per month may be assessed by Union Bank should any individual account balance fall below a daily balance of \$1,000 or a monthly average of \$3,000. Additional fees may also be assessed for the provision of services not included in the scope of work of the contract. Under the scope of work of the proposed contract, Union Bank shall review each certified NC's

documentation for completeness; provide DONE with access to view all transaction activities for each account and ability to monitor, freeze, terminate, and issue payment in behalf of the certified NC accounts when necessary; provide each NCs access to online bill payment and a debit card; restrict any transfer or deposit of funds that does not originate from DONE or the Office of the Controller; generate and mail checks through the online banking system within 3-5 business days; restrict authorization of debit card purchases from specific types of transactions and restricted vendor categories; provide timely notifications of fraudulent activities and assist the Department in blocking any efforts to circumvent the daily purchase amount limit of \$500; and provide training information and support for the use of online bill payment for the Department and designated NC account users.

The Personnel Department determined that a Charter Section 1022 finding is unnecessary because the contract is for the provision of a banking product, and the labor component is incidental to providing this product.

In accordance with LAAC Sections 10.5(a)(8) and (10), competitive bidding shall not apply for cooperative agreements with other governmental agencies or in circumstances where the contracting authority finds that the use of competitive bidding would be impractical.


Council approval of the proposed contract is required because the term exceeds three years.

RECOMMENDATION

That the Council approve and authorize the General Managers of the Department of Neighborhood and Empowerment and the Office of Finance to execute the proposed agreement between the City and Union Bank for a term of one year with three one-year options to renew, subject to the approval of the City Attorney as to form; and

FISCAL IMPACT STATEMENT

Funding for the fees, which may be assessed by Union Bank, shall be drawn from the specific Neighborhood Council's checking account which requested for any additional service or whose account balance falls below the specified limit. There is no additional impact on the General Fund. To the extent applicable, the recommendation stated in this report is in compliance with the City Financial Policies in that ongoing revenues will be used to meet on-going expenditures.


MAS:LGC:08140137

Attachments

CITY OF LOS ANGELES

CALIFORNIA

BOARD OF NEIGHBORHOOD COMMISSIONERS

KAREN MACK
PRESIDENT

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LYDIA GRANT
VICTOR MEDINA
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JANET LINDO
EXECUTIVE ADMINISTRATIVE ASSISTANT
TELEPHONE: (213) 978-1551



ERIC GARCETTI
MAYOR

EMPOWER LA™
Department of
NEIGHBORHOOD EMPOWERMENT

2014 MAR 14 AM 11:36

CITY ADMINISTRATIVE OFFICER

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GRAYCE LIU
GENERAL MANAGER

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March 11, 2014

Honorable Eric Garcetti
Mayor, City of Los Angeles
200 North Spring Street, Room 300
Los Angeles, California 90012

Attention: Mandy Morales, Legislative Coordinator

REQUEST FOR APPROVAL TO EXECUTE CONTRACT WITH UNION BANK FOR NEIGHBORHOOD COUNCIL CHECKING ACCOUNTS

Dear Mayor Garcetti:

In accordance with Executive Directive 3, the Department of Neighborhood Empowerment (the "Department") hereby requests:

- A. REVIEW and APPROVAL to execute a contract between Union Bank and the Department on behalf of the Neighborhood Councils.
- B. AUTHORIZE the General Manager of the Department, or designee, to prepare Controller instructions to make any necessary technical adjustments, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions.
- C. AUTHORIZE the Controller to expend funds from each Neighborhood Council appropriation account, in a total amount not to exceed Three Hundred Twenty-Five Thousand Dollars (\$325,000) for the term of the contract, including the three (3) Option Years for these professional services agreements from Department 47, Neighborhood Council Special Fund 44B.

The contract with Union Bank is for a period of three (3) years commencing April 1, 2012, with three (3) one-year periods at the City's discretion. The contract is specified as non-exclusive, with a total contract amount not to exceed \$325,000 (Three Hundred Twenty-Five Thousand Dollars) for each vendor.

BACKGROUND AND DISCUSSION:

Pursuant to City Charter Section 912, the Mayor and City Council appointed the Neighborhood Council Review Commission (NCRC) to evaluate and make recommendations to the Citywide System of Neighborhood Councils. After an extensive

AN EQUAL EMPLOYMENT OPPORTUNITY AFFIRMATIVE ACTION EMPLOYER

Honorable Eric Garcetti
Request for Approval to Execute Contract with Union Bank for
Neighborhood Council Checking Accounts

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research, public hearings, and deliberations, the NCRC released its final report dated September 25, 2007, entitled "The Neighborhood Council System: Past, Present, & Future". In this report, recommendation number 69 pertains to the Department preparing a menu of frequently needed services and to identify vendors who can provide these services to neighborhood councils.

The purpose of this agreement is to retain the services of Union Bank to provide checking accounts and an on-line banking product to the City's current and future certified Neighborhood Councils. The Department and the Contractor have negotiated in good faith for the Department to enter into this agreement pursuant to Los Angeles Administrative Code Section 10.15 (a)(8) since a similar contract already exists with the Housing Authority and the Department also determined that Los Angeles Administrative Code Section 10.15 (a)(2) also applies as no other bank is able to offer the services needed to support the City's Neighborhood Councils.

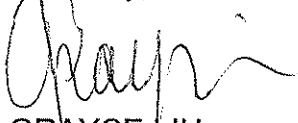
CONCLUSION

The Department has complied with the procedures, applicable laws and policies relative to the execution of this contract. The Department's Administrative Services Division will administer the contracts. Sufficient funds are available in the Department's Neighborhood Council funding program.

The Department believes that this contract serves the best interests of the City and Neighborhood Councils. The Office of Finance and the Office of the City Attorney have reviewed the contract as to form and legality. Therefore, it is requested that approval to move forward with the execution of this contract be provided forthwith by the Mayor.

If you have any questions regarding the contract, please contact Jeffrey S. Brill at (213) 978-1551.

Sincerely,



GRAYCE LIU
General Manager

cc: Leah Chu, Office of the City Administrative Officer

Attachments