



City Council Report

Date: November 6, 2017
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: One-Year Renewal Contract for Comprehensive Banking Services for the Financial Services and Business Services Departments **(Citywide)**

Purpose and Recommendation

Council is requested to approve the One-Year Renewal Contract for Comprehensive Banking Services as recommended.

The Financial Services and Business Services Departments recommend authorizing the renewal contract with JP Morgan Chase, US Bank (Elavon) and Wells Fargo for the combined total of \$153,000.00 annually, based on expected activity.

Background / Discussion

The City of Mesa makes extensive use of banking services to collect, disburse and manage its cash and investments. The comprehensive banking services include general banking services, merchant card processing and institutional custody. General banking services includes cash services, deposit services, disbursement services, electronic transfer of funds and general reporting. Merchant card services represent the City's ability to process credit card transactions. Institutional custody services represent the safekeeping of the assets/securities in the City's investment portfolio.

All three vendors are willing to renew with no pricing adjustments. The City has been satisfied with the vendors' service and the City is implementing new services (Credit Card Fees). This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract. Financial Services and Business Services are requesting a one-year renewal contract.

Alternatives

Council may choose not to authorize the renewal contract for the three banking services at which time new responses will be solicited.

Fiscal Impact

General Banking and Custodial Services: The total estimated amount of \$100,000 is available in Financial Services Department operating budget.

Merchant Services: The total estimated amount of \$53,000 (plus pass through 3rd party charges for Visa, Mastercard, American Express and Discover) is available in the operating budget for each Department that accepts credit cards.

Coordinated With

Financial Services and Business Services Departments, and Purchasing

PURCHASING INFORMATION

Action: Renewal Authorization

Procurement Type: Request for Proposals

Contract Number: 2014064

Initial Award: 12/8/2014

Initial Contract Term: Three years

Renewal Term: This is the first of two one-year renewals possible

Proposals Received

Bank of America National Association N. A. - Phoenix, AZ

Bank of America Merchant Services, LLC - Atlanta, GA

J.P. Morgan Chase Bank N.A. - Columbus, OH

National Bank of Arizona - Phoenix, AZ

U.S. Bancorp dba U.S. Bank N.A. - Minneapolis, MN

Wells Fargo Bank, N.A. - San Francisco, CA

Proposal Scoring Results

GENERAL BANKING SERVICES	Total Possible	Bank of America	JP Morgan Chase	National Bank of Arizona	US Bank	Wells Fargo
Total Score	100	78.1	90.7	41.7	80.5	73.5

MERCHANT CARD PROCESSING	Total Possible	Bank of America	JP Morgan Chase	National Bank of Arizona	US Bank	Wells Fargo
Total Score	100	56.6	78.5	72	85.9	85.2

INSTITUTIONAL CUSTODY	Total Possible	Bank of America	JP Morgan Chase	National Bank of Arizona	US Bank	Wells Fargo
Total Score	100	64.7	47.5	72.7	81.7	84.3

RENEWAL RECOMMENDATION

JP Morgan Chase

Columbus, OH

General Banking Services

General Banking Services includes cash services, deposit services, disbursement services, electronic transfer of funds and general reporting

US Bank – Elavon

Minneapolis, MN – Atlanta, GA

Merchant Card Processing

Merchant Card Services represents the City's ability to process credit card transactions

Cost does not include pass through 3rd party charges for Visa, Mastercard, American Express and Discover.

Wells Fargo

San Francisco, CA

Institutional Custodial Services

Institutional Custody Services represents the safekeeping of the assets/securities in the City's investment portfolio

Estimated Total Contract Value: \$153,000.00 Annually