

CITY COUNCIL AGENDA TOPIC

Resolution authorizing the execution of an amendment to the General Banking Services Agreement with Bank of America, N.A. for a two-year extension and to increase the contract value to an estimated amount of \$958,280, plus all applicable taxes.

John Resha, Director, 452-2567

Ira McDaniel, Assistant Director, 452-4182

Leslie Hernandez, Financial Services Manager, 452-6111

Finance & Asset Management Department

EXECUTIVE SUMMARY**ACTION**

This Resolution authorizes the execution of an amendment to the General Banking Services Agreement with Bank of America, N.A. for a two-year extension and adding \$332,000 for an estimated contract amount of \$958,280, plus applicable taxes.

RECOMMENDATION

Move to adopt Resolution No. 10373

BACKGROUND/ANALYSIS

The City currently contracts with Bank of America for general banking services such as check processing, deposit processing, ACH transfers, wires, and vendor payment solutions.

The current General Banking Services Agreement with Bank of America was approved by Resolution No. 9293 in 2017. This Agreement was amended a few times, primarily to update the scope of services (Amendments #1–3, see summary table in the next section). The five-year term of the contract ended in August 2022 and the contract has continued since that time on a month-to-month basis. To ensure that the City is receiving the optimal level of automated banking services at a competitive price by a qualified and financially viable bank, staff recommends this Amendment #4 to continue its current relationship with Bank of America for two more years, with the option to extend for additional three one-year terms, and to increase the contract value.

As required by City contracting policy, a competitive exception has been granted to continue services with Bank of America for up to five additional years. The exception is based on the rationale that major online portals and payment systems have either been implemented recently or are currently underway in addition to an Enterprise Resource Planning system (ERP) replacement being imminent. Changing banks at this juncture may increase costs and introduce delays to these projects, potentially disrupting the services that are provided by the City to customers. Approvals with Bank of America and the project vendors have been negotiated and systems developed as part of the City's projects, so all parties align with the needs of the City and its customers. With our previous point of sale system closing its doors it was imperative to move forward on these projects immediately.

Prior to the execution of the one-year extensions, staff will weigh the need against timing of system

replacement projects to ensure customer services are not interrupted.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code 4.28.010 provides for the fair and equitable treatment of all persons involved in payment processing. Council approval is required to award the contract where the cost exceeds \$350,000.

Fiscal Impact

The fiscal impact for general banking services and provisions for contracting additional services as deemed necessary or appropriate as banking technology changes are estimated at \$332,000 for a two-year extension with three one-year extensions. The components covering the renewal terms are an estimated total amount of \$332,000.

The below table shows the history of the General Banking Services Agreement with Bank of America.

Action	Description	Value
<i>Original Contract</i>	<i>General Banking Services</i>	<i>\$419,792</i>
<i>Amendment #1</i>	<i>Extension of term</i>	<i>N/A</i>
<i>Amendment #2</i>	<i>Scope of Services</i>	<i>\$206,488</i>
<i>Amendment #3</i>	<i>Scope of Services</i>	<i>N/A</i>
<i>Amendment #4</i>	<i>Extension of term & increased contract amount</i>	<i>\$332,000</i>
Contract Total		\$958,280

Costs for these services were anticipated and included in the 2023-2024 adopted budget in the General Fund, Development Services Fund, Parks Enterprise Fund, Water Utility Fund, Sewer Utility Fund, and Storm and Surface Water Utility Fund.

New products and services may be made available during the terms of the contract or renewal period. The Finance & Asset Management Director or their designee will evaluate the benefits of new services and products offered by the bank during the terms of the contract to further the efficiency and effectiveness of banking services as authorized.

OPTIONS

1. Adopt the Resolution authorizing the execution of an amendment to the General Banking Services Agreement with Bank of America, N.A. for a two-year extension and to increase the contract value to an estimated amount of \$958,280, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

- A. Competitive Exception
Proposed Resolution No. 10373

AVAILABLE IN COUNCIL LIBRARY

General Banking Services Agreement with Bank of America, N.A.

Amendment #1

Amendment #2

Amendment #3

Amendment #4