



Finance & Asset Management

DATE: February 28, 2024

TO: John Resha – Director, Finance & Asset Management

FROM: Leslie Hernandez – Financial Services Manager

RE: Bank of America and Bank of America Merchant Services Contract Exception

The City holds two agreements with Bank of America, covering general banking services and merchant services. Initially contracted in August 2017 for a two (2) year term, with an option for a three (3) year renewal and subsequent month-to-month extensions, these agreements had an estimated value of \$7.1 million for the initial term and renewal. Presently, the contracts operate on a month-to-month basis.

An exception is sought from FAM's procurement contract policy, usually limiting contracts to five years, to extend both contracts for an additional two years, followed by two one-year periods, totaling \$8.4 million.

The city recently implemented or is in the process of implementing two point of sale (POS) projects affecting FAM, Development Services, Parks, and Police. These projects were necessitated by the failure of our previous POS system, posing a critical challenge to the organization's ability to accept customer payments. All current vendor systems have been thoroughly vetted and align with Bank of America's operating systems. Transitioning to a different bank could potentially disrupt these recently implemented POS systems. Moreover, considering the upcoming replacement of JDE scheduled for implementation in 2026, changing banks during that phase could lead to complications affecting the city's customer services.

The city has maintained a successful contractual relationship with Bank of America for over five years. Although an extension was contemplated before the month-to-month period, it was deferred due to the COVID-19 pandemic and other priorities. Both parties stand to benefit from a defined extension, ensuring a continued relationship and facilitating future planning.

Approving this four (4) year extension would support ongoing city projects and the impending ERP replacement project, avoiding significant disruptions and ensuring uninterrupted general banking and merchant services.

Approval is requested for the proposed changes and request prompt authorization to initiate contract amendments.

Signature: 

John Resha

cc: Trisna Tanus – City Attorney's Office