

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of an amendment to the existing Bank of America Agreement for Government Treasury Banking Services by adding lockbox services for the City's business tax returns and related payments for up to an additional \$206,488, plus applicable taxes for the remaining two years of the contract, for a new contract amount not to exceed a total of \$626,279.89. The executed Amendment shall be substantially in the form of the Amendment in the Council Library.

Toni Call, Director 452-7863

Troy Lucas, Tax Division Manager 452-4358

Finance & Asset Management Department

EXECUTIVE SUMMARY

This Resolution authorizes execution of an amendment to the existing Agreement for Government Treasury Banking Services with Bank of America by adding \$206,488 for lockbox services to the remaining two years of the existing contract for a new contract amount not to exceed a total of \$626,279.89, plus applicable taxes for the full five-year contract value.

RECOMMENDATION

Move to adopt Resolution No. 9873

BACKGROUND/ANALYSIS

Historically, the City's Tax Office uses a third party to provide lockbox services to perform data entry and to receipt payments from taxpayers who file paper tax returns. Annually, the City receives, processes and remits over 18,000 paper business tax returns.

In 2017 the City entered into a five-year contract with Bank of America to provide overall banking services for the City. This current contract did not include lockbox services because that service was provided to the City by another vendor. The City would like to now add lockbox services to the current Bank of America contract, which falls under the original competitive process that was used for this banking agreement. These services will add \$206,488 to the existing contract. By using our existing banking contract, the City will realize savings of approximately \$10,000 per year for these services.

POLICY & FISCAL IMPACTS**Policy Impact**

BCC 4.28.010 provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required to award the contract where the cost exceeds \$90,000.

Fiscal Impact

Approval of this action obligates the City to pay up to an additional \$103,244 per year (\$206,488 in total), plus applicable taxes, for lockbox services for the City of Bellevue's business tax returns and related payments for the remaining two years of the existing Bank of America contract. Costs are based on the volume of paper transactions that the City processes each year and a fixed price for services.

Under this contract the City is anticipated to save approximately \$10,000 per year by eliminating paper storage and courier fees. Additionally, the ongoing fees will be approximately 10 percent less than the previous provider of these services.

This expenditure was anticipated and sufficient funding exists within the 2021-2022 adopted FAM General Fund budget.

OPTIONS

1. Adopt the Resolution authorizing execution of an amendment to the existing Bank of America Agreement for Government Treasury Banking Services by adding lockbox services for the City's business tax returns and related payments for up to an additional \$206,488, plus applicable taxes for the remaining two years of the contract, for a new contract amount not to exceed a total of \$626,279.89. The executed Amendment shall be substantially in the form of the Amendment in the Council Library.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9873

AVAILABLE IN COUNCIL LIBRARY

Amendment No. 2 to the Bank of America Contract