



Legislation Details (With Text)

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Type: Resolution **Status:** Approved

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Title: Consider a resolution authorizing the Mayor to execute a Depository and Banking Services Contract with JPMorgan Chase Bank.

Sponsors:

Indexes: General Fund, Utility Fund

Code sections:

Attachments: 1. Resolution, 2. Exhibit A, 3. Form 1295

Date	Ver.	Action By	Action	Result
4/27/2017	1	City Council	approve	Pass

Consider a resolution authorizing the Mayor to execute a Depository and Banking Services Contract with JPMorgan Chase Bank.

Chapter 105 of the Local Government Code and the City's investment policy require the City to request applications from financial institutions to provide depository services every five (5) years. Our current contract with JPMorgan Chase expires in May 2017. In November 2016, the City solicited Requests for Applications (RFA) for banking services to provide efficient and cost effective banking services. The City requires a banking partner to provide state-of-the-art technology to assure that current banking needs are met and new technological changes and improvements are available for our operations over the period of the contract.

The evaluation was guided by the following criteria:

1. ability to perform and provide the required and requested services;
2. reputation of applicant and quality of services;
3. funds availability;
4. interest paid on interest bearing accounts and deposits;
5. earning credit calculation on compensating balances;
6. cost of services, transition costs, retention and transition offers and incentives; and
7. completeness of application and agreement to points outlined in RFA.

The goal is to have banks perform those duties in the most cost effective, efficient manner. Financial institutions bundle services and price services differently, so evaluation criteria were developed that captured those differences equitably. Valley View Consulting, L.L.C., the City's investment advisor, assisted with the evaluation to provide a more accurate comparison of banks based on their experience in this area.

The City received six (6) applications which were evaluated as to which could provide the best value to the City. After conducting a detailed analysis of all the applications, it was determined that JPMorgan Chase Bank, N. A., provides the best value for the City. JPMorgan Chase Bank has been

a good business partner over the course of the current contract. The quality of service, cost, and offerings between top contenders are similar. However, transitions require significant staff time and inconvenience to City customers. Therefore, staff recommends the City continue its depository relationship with JPMorgan Chase Bank.

The contract is to be a five-year period beginning June 1, 2017 through May 31, 2022.

Cost:

Five Year Term

Proposed Fees (net of incentives)	\$ (280,857)
Earnings Credit & Hard-Interest	<u>345,363</u>
Net Income (Cost)	\$ 64,506

Source of Funds: General & Utility Funds