

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO (A) NEGOTIATE AND EXECUTE THE SIXTH AMENDMENT TO THE AGREEMENTS WITH WELLS FARGO BANK FOR GENERAL BANKING, LOCKBOX SERVICES, AND MERCHANT CARD PROCESSING SERVICES, AND THE FOURTH AMENDMENT TO THE AGREEMENT WITH WELLS FARGO BANK FOR SECURITIES CUSTODIAL SERVICES, TO EXTEND THE TERM OF THE AGREEMENTS THROUGH JUNE 30, 2022, SUBJECT TO THE APPROPRIATION OF FUNDS; AND (B) TO ISSUE TWO NEW REQUESTS FOR PROPOSALS FOR (1) GENERAL BANKING, LOCKBOX SERVICES, AND MERCHANT CARD PROCESSING SERVICES, AND (2) SECURITIES CUSTODIAL SERVICES

WHEREAS, in May 2009, the City Council of the City of San José (“City Council”) approved the recommendation to enter into agreements with Wells Fargo Bank (“Wells Fargo”) to provide banking and financial services for the City of San José (“City”) including General Banking and Lockbox Services, Merchant Card Processing Services, and Securities Custodial Services (collectively, the “Banking Agreements”), for an initial term of July 1, 2009 to June 30, 2012 with three two-year options to extend the term of the agreements, in a total maximum annual amount not to exceed \$864,000 through June 30, 2010 and thereafter subject to annual appropriation of funds; and

WHEREAS, on June 29, 2016, the City executed the third option period, extending the term of the Banking Agreements through June 30, 2018; and

WHEREAS, on May 14, 2018, the City released a competitive Request for Proposals (“RFP”) consisting of four packages seeking providers for general banking and lockbox services, merchant card processing services, securities custodial services and bill print services; and

WHEREAS, on June 26, 2018, the City and Wells Fargo entered into amendments to the Banking Agreements to extend the term of the Banking Agreements through June 30, 2019 to allow additional time for City staff to complete the RFP process and, if necessary, provide banking services coverage throughout the transition period to a new vendor; and

WHEREAS, on March 19, 2019, the City Council authorized the City Manager to reject all proposals based on Council Policy 0-44, Wage Theft Prevention, and to explore the feasibility of an alternative delivery model for banking services and report back to the City Council prior to issuing a new RFP based on a new model on or before June 30, 2020, and authorized the City Manager negotiate and execute amendments to the Banking Agreements to extend the term through June 30, 2020 to provide banking services coverage throughout the period necessary to explore the feasibility of a new model prior to issuing a new RFP, subject to the appropriation of funds; and

WHEREAS, after exploring the feasibility of alternative delivery models, the City recommends issuing a single RFP for general banking, lockbox and merchant card services, and issuing a separate RFP for custodial services; and

WHEREAS, the City desires to negotiate and execute further amendments to the Banking Agreements to extend the term through June 30, 2022 to provide banking services coverage throughout the period necessary to solicit proposals and negotiate new agreements for banking services without interrupting critical banking and financial services;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is hereby authorized to:

- A. Negotiate and execute the Sixth Amendment to the Agreements with Wells Fargo Bank for General Banking, Lockbox Services and Merchant Card Processing Services, and negotiate and execute the Fourth Amendment to the Agreement with Wells Fargo Bank for Securities Custodial Services, to extend the term of the agreements for two years from July 1, 2020 to June 30, 2022, subject to the appropriation of funds; and
- B. Issue two new Requests for Proposals for (1) general banking, lockbox, and merchant card services, and (2) securities custodial services.

ADOPTED this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk