

# Report on Request for Proposal for General Banking, Lockbox, and Merchant Card Services

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City Council Agenda Item 3.4

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# BACKGROUND

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- Finance issued an RFP for banking services.
  - Three vendors responded; Wells Fargo Bank, JPMorgan Chase, and U.S. Bank
  - JPMorgan Chase bank was selected based on overall score
- JPMorgan Chase was highly rated in these key areas;
  - Extensive experience serving government clients with teams located in the Bay Area
  - State of the art security products to protect City funds
  - Highly ranked banking portal provides one stop location for all services
  - Merchant Services platform will offer advanced features and improved reporting



# SERVICES

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- Payroll
- Electronic payments
- Controlled disbursement
- Lockbox
- Cash vault
- Remote deposit for City departments
- Online payment portal for City customers
- Merchant card services
- Robust reporting



# NOTABLE TERMS AND CONDITIONS

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- Terms of the Agreements – Initial term is 6 years starting upon execution and continues through June 30, 2032 with two two-year options potentially extending the relationship through June 30, 2036.
- Funding for each fiscal year is subject to the appropriation of funds by the City. Finance is authorized to reallocate monies between the services as needed.
- Fees for banking services and merchant services, with the exception of interchange fees, are fixed for the initial term of the agreement.



# RECOMMENDATION

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- Negotiate and execute agreements with JPMorgan Chase Bank, N.A., for general banking and merchant card processing services with an initial term beginning on the date the agreements are executed by the parties through June 30, 2032 with a total compensation amount not to exceed \$13,000,000, and the annual compensation amount subject to the appropriation of funds;
- Negotiate and execute amendments to any of the agreements with JPMorgan Chase Bank, N.A., subject to appropriation of funds by the City Council to add new banking services, revise existing banking services, and adjust compensation based on the volume of services provided; and
- Exercise up to two two-year options to extend the term of the agreements through June 30, 2036, subject to the appropriation of funds.

