

CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Office of the Comptroller
AGENDA DATE: November 12, 2013
CONTACT PERSON/PHONE: Mark Sutter, Comptroller, Office of the Comptroller, (915)541-4014
Bruce D. Collins, Director, Purchasing and Strategic Sourcing Department
(915) 541-4308
DISTRICT(S) AFFECTED: All

SUBJECT:

Discussion and action on the recommendation that the City Council select Wells Fargo Bank as the depository bank for the municipality's funds based on the submitted Application for Depository Services and authorize City staff to negotiate, City Attorney to review and the City Manager to sign any contracts or other documents required to effectuate the contract. This is a five year contract. The total estimated amount of this award for five (5) years not considering credits for investment earnings on compensating balances is \$3,126,540.

BACKGROUND / DISCUSSION:

Pursuant to Local Government Code Chapter 105 which governs the selection of a depository bank, the City solicited Applications for Depository Services from banking institutions in order to provide depository services to the City. A review committee comprised of representatives from the Office of the Comptroller and the Tax Office reviewed the two applications received and has recommended that Wells Fargo be selected as the City's depository. Pursuant to the Local Government code, the City may approve a contract for up to five years and the committee therefore recommends that the City enter into an agreement with Wells Fargo for a five (5) year contract.

PRIOR COUNCIL ACTION:

In December 2008, City Council approved award of the depository agreement for five years to Wells Fargo Bank when there were two applications received.

AMOUNT AND SOURCE OF FUNDING:

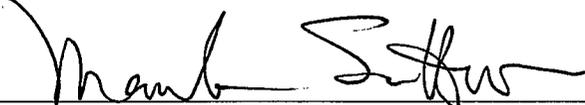
This item will be funded from compensating balances of the accounts held at Wells Fargo Bank. The total annual fees are estimated at \$625,308; the total estimated fees over the five year term of the contract are \$3,126,540.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



**COUNCIL PROJECT FORM
(RFA)**

*******POSTING LANGUAGE BELOW*******

Please place the following item on the REGULAR agenda for the Council Meeting of NOVEMBER 12, 2013.

Discussion and action on the award of Solicitation No. 2014-037 (Application for the Performance of Banking Depository Services) to Wells Fargo Bank, N.A. for a total estimated award of \$3,126,540.00 which will be offset by revenue.

| | |
|------------------------|---------------------------------------|
| Department: | Office of the Comptroller |
| Award to: | Wells Fargo Bank, N.A. El Paso, TX |
| Total Estimated Award: | \$3,126,540.00 Five (5) Years |
| Account No.: | Various |
| District(s): | All |

This is a Request For Applications service type contract.

Additionally, it is requested that the City Attorney's Office review and that the City Manager be authorized to execute any related contract documents and agreements necessary to effectuate this award.

The Purchasing & Strategic Sourcing Department and Office of the Comptroller recommend award as indicated to Wells Fargo Bank, N.A., the highest ranked applicant based on evaluation factors established for this procurement.

*******ADDITIONAL INFO BELOW*******

COMMITTEE SCORE SHEET

SOLICITATION NO. 2014-037

SOLICITATION TITLE: APPLICATION FOR THE PERFORMANCE OF BANKING DEPOSITORY SERVICES
OFFICE OF THE COMPTROLLER

| | BANK OF AMERICA EL PASO, TX | WELLS FARGO EL PASO, TX |
|--|--------------------------------|----------------------------|
| Total Cost | \$1,586,435.00 | \$3,126,540.00 |
| COMMUNITY INVOLVEMENT (# points/percent max) 5 | 2.33 | 5.00 |
| MONTHLY MAINTENANCE FEES & COLLATERALIZATION COSTS (# points/percent max) 15 | 10.33 | 11.33 |
| ELECTRONIC SERVICES (# points/percent max) 20 | 14.33 | 18.33 |
| ACCOUNTING SERVICES (# points/percent max) 10 | 6.66 | 9.33 |
| SECURITY FEATURE SERVICES (#points/percent max) 15 | 11.33 | 13.33 |
| TREASURY MANAGEMENT SERVICES (#points/percent max) 20 | 14.33 | 18.33 |
| TAX OFFICE SERVICES (#points/percent max) 15 | 4.33 | 14.00 |
| TOTAL 100 | 63.64 | 89.65 |



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City of El Paso

2013-2018 Banking Depository Services Proposed Award

*Office of the Comptroller
Mark Sutter, Ph.D., CPA (NM)*





Evaluation Criteria

GFOA Best Practices + Two

- ❑ **Community Involvement (Extra-GFOA)**
- ❑ **Costs relative to benefits of services**
- ❑ **Electronic services**
- ❑ **Account services**
- ❑ **Security feature services**
- ❑ **Treasury management services**
- ❑ **Tax Office services (Extra-GFOA)**

**Evaluation Team: Comptroller, Treasurer,
Tax Assessor/Collector**



Evaluation Criteria

GFOA Best Practices + Two

- ❑ **Community Involvement (Extra-GFOA)**
Employment, business and mortgage loan activity, charitable contributions, etc.
- ❑ **Costs relative to benefits of services**
Direct fees, compensating balances, earnings credit rate, etc.



Evaluation Criteria

GFOA Best Practices + Two

- ❑ **Electronic services**

Balance and transaction-reporting services, stop payments, payment/deposit capabilities, transmitted analysis and statements, electronic storage of paid checks/statements, stale check management, access to safekeeping/custodial information, access to investment reporting information



Evaluation Criteria

GFOA Best Practices + Two

- ❑ **Account services**
 - Controlled disbursement, collection account, zero-balance capability, interest bearing accounts, investment sweep accounts**

- ❑ **Security feature services**
 - Positive pay files, reconciliation services, ACH blocking/filtering, check to ACH conversion, NSF services, collateral reporting**



Evaluation Criteria

GFOA Best Practices + Two

- ❑ **Treasury management services**
Lock-box, credit card payment receipt, safekeeping or custody arrangements, procurement cards, payroll cards, internet payment capability

- ❑ **Tax Office services (Extra-GFOA)**
Acceptance of payment at branches including drive-ups and lockbox, provide receipt to customer, send info to Tax Ofc



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Proposal Evaluation

| Item examples | Bank of America | Wells Fargo |
|--|-----------------|-------------------------|
| Home mortgages - EP | Not provided | 2,667; \$395 mil (2011) |
| SBA loans - EP | Not available | \$3.4 mil (2012) |
| Employment – EP | 185 | 520 |
| Bridges/Mass Transit coin deposits | Partly comply | Yes |
| Electronic check images | Yes | Yes |
| Repurchase agreement securities with other banks – custodial svc | No | Yes |



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Proposal Evaluation

| Item examples | Bank of America | Wells Fargo |
|--|---|---|
| Collateral pledge | 102% | 102% |
| Electronic data access to all City accounts | Yes | Yes |
| Night depository available for City depts. | Yes | Yes (same day credit) |
| Armored car delivery acceptance | Yes (same day credit cutoff is 2 p.m.) | Yes (same day credit cutoff is 3 p.m., City requirement) |
| Wire payment security features as prescribed | Yes | Yes |
| Positive pay security | Yes | Yes |



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Proposal Evaluation

| Item examples | Bank of America | Wells Fargo |
|---------------------------------------|---------------------------------------|--------------------|
| Tax Office – Number of Bank Locations | 0 | 12 |
| Tax Office – armored car service | Not available | Not available |
| Tax Office – lock box svc | Partly comply – cannot issue receipts | Yes |
| | | |
| | | |
| | | |



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Proposal Evaluation

| Item examples | Bank of America | Wells Fargo |
|--|-----------------|-------------|
| Quotes adjusted for 3 large differences; | | |
| Value – quoted charge/year | \$317,287 | \$625,308 |
| Supplies not in BOA | Supplies TBD | – \$41,096 |
| Earnings credit on \$25 Million compensating balance | - \$62,500 | - \$187,500 |
| Tax Office added cost | + \$140,000 | Takes pmts |
| More comparative quotes> | \$394,787 | \$396,712 |

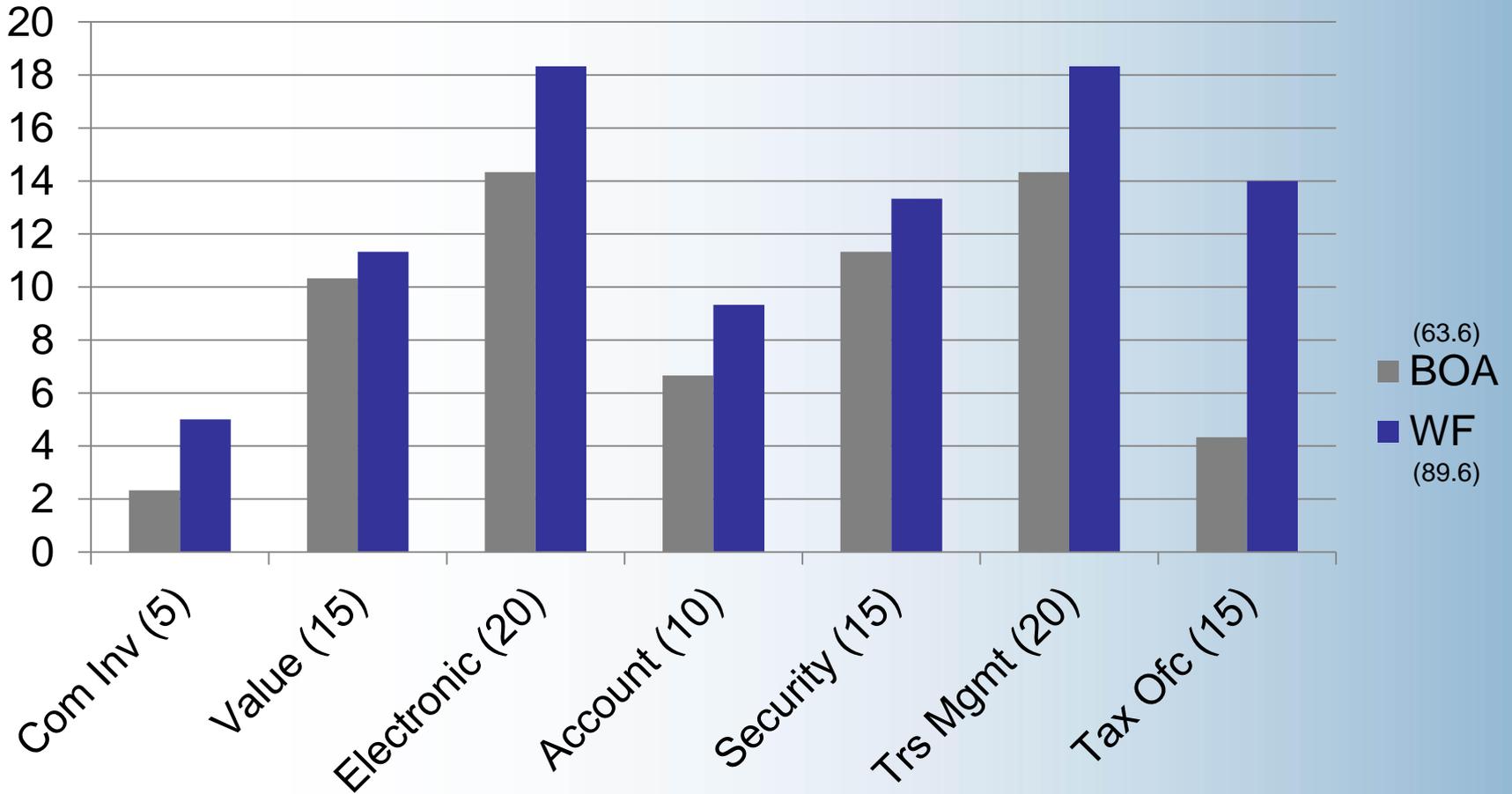


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Proposal Scoring





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- **Based on evaluation of GFOA best practices criteria (plus service to Tax Office and the community), staff recommends award to Wells Fargo.**

Questions or Comments?

