



City of Tacoma

PUB Resolution No.: _____

City Council Resolution No.: _____

**Contract and Award Letter
Purchase Resolution —Exhibit "A"**

TO: Board of Contracts and Awards
FROM: Andy Cherullo, Director, Finance Department
Michael San Soucie, Treasury Manager, Finance Department
COPY: Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,
City Clerk, EIC Coordinator, LEAP Coordinator, and Tad Carlson, Senior Buyer,
Finance Department.
SUBJECT: Citywide - Banking and Merchant Services, Request for Proposals Specification
No. FI22-0101F, Contract No. CW2252749 March 8, 2023 Public Utility Board;
March 21, 2023 City Council
DATE: February 13, 2023

RECOMMENDATION SUMMARY:

The Finance Department recommends a contract be awarded to JP Morgan Chase, Seattle, WA, in the amount of \$1,500,000, plus applicable taxes, budgeted from various funds, for an initial contract term of six years, for banking and merchant services.

STRATEGIC POLICY PRIORITY:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

Banking and merchant services are critical to the City of Tacoma. These services include, but are not limited to,

- Ability to receive payments from customers
- Make payments to vendors and other recipients
- Transact with credit cards and other payment methods
- Have access to depository services

In addition to the services available with the current banking services provider, JP Morgan Chase has a product that may offer more payment options for our customers. This product will make it easier for customers to transact with the City by allowing them to:

- Pay their bills in multiple ways and/or from multiple locations
- Have websites for customers to make payments
- Provide more current digital payment options such as Google Pay and/or Apple Pay

In addition, from an administrative perspective; staff should be better able to track incoming payments which will help staff reconcile payments more efficiently.

ISSUE:

The City's current banking and merchant services contract is expiring at the end of 2023. A Request For Proposals (RFP) was issued to select a provider for banking and merchant services. The requirements in the RFP included:



- A bank be of sufficient size to safely handle the daily, weekly, and monthly flow of funds from City transactions
- Have great customer interfaces and services to make transacting with the City easier
- Have up-to-date on-line banking technology
- Have great customer service to resolve issues when they arise
- Have technology tools to provide better access for customers

ALTERNATIVES:

One alternative was to request a direct negotiation waiver for a new contract with our current provider. This was deemed to not be the best choice based on wanting to create competition on pricing and services to see if the City could improve services to our customers.

COMPETITIVE SOLICITATION:

Request for Proposal Specification No. FI22-0101F was opened June 28, 2022. Twenty-four companies were invited to bid in addition to normal advertising. Five submittals were received, and the below table reflects the final scoring.

<u>Respondent</u>	<u>Location</u> <i>(city and state)</i>	<u>Score</u>
JP Morgan Chase	Seattle WA	337
Wells Fargo	Seattle WA	333
US Bank	Seattle WA	323
Key Bank	Seattle WA	309
Bank of the West	Oakland CA	302

COMPETITIVE ANALYSIS:

CONTRACT HISTORY: New Contract

SUSTAINABILITY:

Five percent of the final scoring was reserved for Sustainability considerations.

EQUITY IN CONTRACTING (EIC) COMPLIANCE:

Five percent of the final scoring was reserved for Equity in Contracting considerations.

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP)

COMPLIANCE: Not applicable

FISCAL IMPACT:



EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various			Up to \$1,500,000
TOTAL			Up to \$1,500,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various			Up to \$1,500,000
TOTAL			Up to \$1,500,000

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: Approximately \$750,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A