



**TO:** Board of Contracts and Awards  
**FROM:** Andrew Cherullo, Director, Finance Department  
Michael San Soucie, Treasury Manager  
**COPY:** City Clerk, SBE Coordinator, LEAP Coordinator, and Alex Clark,  
Finance/Purchasing  
**SUBJECT:** Increase and extend the contract for Wells Fargo banking/merchant services  
Request for Proposal Specification No. F113-0360F, Contract No. 4600009671 –  
Requested Public Utility Board November 13, 2019 / City Council Date  
November 19, 2019  
**DATE:** October 1, 2019

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**RECOMMENDATION SUMMARY:**

The Finance Department, Treasury Division, requests approval to increase Citywide Contract 4600009671 with Wells Fargo Bank, N.A., Seattle WA, by \$620,000, plus applicable taxes, for banking and merchant services. This increase is needed to account for the addition of new locations within the City that accept credit cards, the increase in card usage by customers, and the anticipated amendment for a two year extension. This increase will bring the contract to a cumulative total of \$1,500,000, plus any applicable taxes.

**STRATEGIC POLICY PRIORITY:**

Through the safekeeping and timely deposit of City monetary assets, the contract promotes the following strategic policy of encouraging and promoting an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

**BACKGROUND:**

The City of Tacoma contracted with Wells Fargo Bank through Request for Proposals F113-0360F. This RFP solicited for the most qualified firm that could perform banking (such as cash/check deposits, ACH/wire transfers, etc.) and/or merchant services (credit card processing and reconciling), while also coordinating over 200 million dollars in payments, including credit card fees associated with those payments, between the card companies and the City.

**ISSUE:** To provide a continued efficient and compliant option for depositing City funds and accepting credit card payments, we wish to extend the term of our current contract for banking and merchant services. However, with the continued increase in credit card usage and use of our first two-year extension, we have reached our original dollar threshold for the original contract. We need to increase the contract to allow for continued usage.

**ALTERNATIVES:** The alternative to increasing and extending the contract is to go back out to solicitation for services again. We do not recommend this option in order to avoid the cost of an interruption in service and the time, effort, and cost a new solicitation requires as well as a possible implementation of a new bank. In addition, Wells Fargo has provided great service during the term of the current contract. Continuing with the current contract as originally written is the preferred option.



**COMPETITIVE SOLICITATION:**

Request for Proposals Specification No. F113-0360F opened August 27, 2013. The City invited seven companies to submit proposals in addition to normal advertising of the project. The City received four submittals.

Contract History: This contract was a result of Request for Proposals Specification No F113-0360F to Wells Fargo Bank, N.A. in January 2014. The original contract award was \$880,000 for a six-year term through December 31, 2019, with two two-year renewals.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Various Funds	Various Cost Centers	5425010	\$620,000

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$ 620,000**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**