



## RESOLUTION NO. 38800

1 A RESOLUTION related to the purchase of materials, supplies or equipment,  
2 and the furnishing of services; authorizing the increase of the contract  
3 with Bank of America, by an amount not to exceed \$112,000, for  
4 commercial banking and merchant card services, plus approximately  
5 \$392,000 in pass-through fees to Visa and MasterCard, for a total not to  
6 exceed \$504,000, sales tax not applicable, for a maximum cumulative  
7 contract total of \$6,207,320.13, budgeted from the Treasury Operations  
8 Fund, for continuation of banking and merchant card services while the  
9 City transitions to a new banking service provider.

10 WHEREAS the City has complied with all applicable laws and processes  
11 governing the acquisition of those supplies, and/or the procurement of those  
12 services, inclusive of public works, as is shown by the attached Exhibit "A,"  
13 incorporated herein as though fully set forth, and

14 WHEREAS the Board of Contracts and Awards has concurred with the  
15 recommendation for award as set forth in Exhibit "A"; Now, Therefore,

16 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

17 Section 1. That the Council of the City of Tacoma concurs with the Board  
18 of Contracts and Awards to adopt the recommendation for award as set forth in  
19 the attached Exhibit "A."

20 Section 2. That the proper officers of the City are hereby authorized to  
21 increase of the contract with Bank of America, by an amount not to exceed  
22 \$112,000, for commercial banking and merchant card services, plus  
23 approximately \$392,000 in pass-through fees to Visa and MasterCard, for a total  
24 increase not to exceed \$504,000, sales tax not applicable, for a maximum  
25 cumulative contract total of \$6,207,320.13, budgeted from the Treasury  
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1 Operations Fund, for continuation of banking and merchant card services while  
2 the City transitions to a new banking service provider, consistent with  
3 Exhibit "A."  
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5 Adopted \_\_\_\_\_  
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7 \_\_\_\_\_  
Mayor

8 Attest:  
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10 \_\_\_\_\_  
City Clerk

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12 Approved as to form:  
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14 \_\_\_\_\_  
City Attorney

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City of Tacoma  
Finance Department

EXHIBIT "A"

**DATE:** December 2, 2013  
**TO:** Board of Contracts and Awards  
**SUBJECT:** Banking Services for the City of Tacoma  
Budgeted from Treasury Operations (Fund 5700-TRSOP)  
Request for Proposals FI06-0625F

**RECOMMENDATION:** The Finance Department, Treasury Division, requests approval to extend and increase the contract to **Bank of America, Seattle, WA**, by an amount not to exceed \$112,000 for commercial banking and merchant card services, plus approximately \$392,000 in pass-through fees to Visa and MasterCard, for a total not to exceed \$504,000, sales tax not applicable, for continuation of banking and merchant card services while the City transitions to a new banking services provider. This increase will bring the contract to a maximum cumulative total of \$6,207,320.13, sales tax not applicable.

**EXPLANATION:** An extension to this contract is necessary to maintain existing banking services from Bank of America while the City completes the transition to a new banking services provider. Bank of America has agreed to extend the contract on the same terms and conditions as the current contract.

The City's goal is to convert to the new bank by the beginning of the second quarter of 2014. Once the banking conversion has been completed, services required from Bank of America will be reduced to those required, for the most part, to clear outstanding checks and to assure that payments being made to the City, electronic or otherwise, have been successfully redirected to its new banking institution. As such, the fees for services provided by the Bank of America will be significantly reduced as services are transitioned to the new bank.

It is also important to note that, while total fees are estimated to be capped at \$504,000 over the extension period, only \$112,000 are related to the services received from the Bank of America. The remaining amount represents pass-through fees required to be paid to Visa and MasterCard. Such pass-through fees are dictated by the credit card companies and would be payable to any banking institution providing merchant card services to the City.

**COMPETITIVE BIDDING:** This contract was originally awarded to Bank of America as a result of Request for Proposals Specification No. FI06-0625F in November 2006. The contractor has agreed to extend the contract at the same terms and conditions as the original contract.

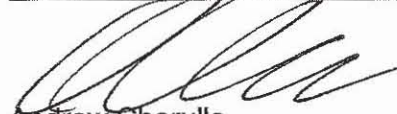
**CONTRACT HISTORY:** Resolution 37035 approved a contract to Bank of America in November 2006 to provide banking services for an initial three-year period with options to extend through two additional two-year periods. This request is to extend the term to December 31, 2014, and bring the contract to a cumulative total of \$6,207,320.13, sales tax not applicable.

As stated above, actual amounts paid to the Bank of America through the contract extension period will depend upon the timing of the banking conversion and the amount of time parallel services are required, and are anticipated to be lower than those previously outlined. In addition,

the amounts estimated include significant and unavoidable pass-through fees paid to Visa and MasterCard on all merchant card transactions.

**FUNDING:** Funds for this contract are available in the Treasury Operations (Fund number 5700-TRSOP).

**PROJECT ENGINEER/COORDINATOR:** Teresa Sedmak, 253-591-5841.



Andrew Cherullo  
Finance Director

TD:rk

cc: Richelle Krienke, Finance/Purchasing  
SBE Coordinator  
LEAP Coordinator